

FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1362084-0

Total Deleted Page(s) = 70

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Page 9 ~ Duplicate;
Page 11 ~ Duplicate;
Page 12 ~ Duplicate;
Page 22 ~ b6; b7C; b7D;
Page 23 ~ b6; b7C; b7D;
Page 41 ~ Referral/Consult - EOUSA;
Page 42 ~ Referral/Consult - EOUSA;
Page 43 ~ Referral/Consult - EOUSA;
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Page 114 ~ b6; b7C; b7D;
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FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1259813-1

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Memorandum



To : SAC PHOENIX 58C-PX-41605

Date 1/19/90

From : SA

b6
b7C

Subject: ALLEGATIONS AGAINST US SENATORS
ALAN CRANSTON, ET AL;
CPO;
OO: PX

The purpose of this memorandum will be to provide an organizational guide for the administration of this matter.

Sub A	1A's
Sub B	Newspaper articles
Sub C	FD-302's
Sub D	Teletypes
Sub E	Incoming Airtels
Sub F	Outgoing Airtels

This serial should be maintained as the top serial of the main file and sub files A through F.

7-Phoenix (1-58C-PX-41605 Main)

(1-58C-PX-41605 SUB A)
(1-58C-PX-41605 SUB B)
(1-58C-PX-41605 SUB C)
(1-58C-PX-41605 SUB D)
(1-58C-PX-41605 SUB E)
(1-58C-PX-41605 SUB F)

REB:mlr
(7)

File - Serial Charge Out
FD-5 (Rev. 6-17-70)

File DEPAV Date _____
Class. Case No. Last Serial

☐ Pending ☐ Closed

Serial No. Description of Serial Date Charged

45 / FD 25 10/12/90
51 memo dtd 10/11/90 10/12/90
51 ~~_____~~ 11/1/91
51 memo of USA 12/17/91
51 Change to Serial
53
56 FAP02 10 2/1/91
58 3/12/91

b6
b7c

[Redacted Box]

RECHARGE

Date _____

To _____ From _____

Initials of Clerk { _____

Date { _____

Date charged

Employee

Location

File - Serial Charge Out
FD-5 (Rev. 6-17-70)

File 58 PX 41605 D Date _____
Class. Case No. Last Serial

☐ Pending ☐ Closed

Serial No. Description of Serial Date Charged

1 Permanently placed
in 58 PX 41605 D

Employee

RECHARGE Date _____

To _____ From _____

Initials of Clerk { _____

_____ } Date { _____

_____ }

Employee Date charged _____

Location

File - Serial Charge Out
FD-5 (Rev. 6-17-70)

File 58 PX 41605 Date _____
Class. Case No. Last Serial

☐ Pending

☐ Closed

Serial No.

Description of Serial

Date
Charged

2 Remanently placed
in 58 PX 41605 D

Employee

RECHARGE

Date _____

To _____ From _____

Initials of
Clerk

{ _____

Date

{ _____

Date charged

Employee

Location

File - Serial Charge Out
FD-5 (Rev. 6-17-70)

File 58 PX 41605 Date _____
Class. Case No. Last Serial

☐ Pending

☐ Closed

Serial No.

Description of Serial

Date
Charged

3

Remainder

58 PX 41605 D

Employee

RECHARGE

Date _____

To _____ From _____

Initials of
Clerk {

Date {

Date charged

Employee

Location

Memorandum



To : SAC, PX 58C-PX 41605 P Date 11/20/89

From : SAA [redacted]

b6
b7C

Subject : U.S. SENATOR ALAN CRANSTON
et AL

Bribery : corruption of Federal OFFICIALS - LEGISLATIVE
(OO:PX/LA)

on 11/20/89 a copy of the statements of the witnesses that testified before the U.S. House of Representatives Hearings on Lincoln Savings, Wash, D.C. were overnight-expressed to FBI, Santa Ana, Calif to the attention of SA [redacted] along with a copy of the Opening statement on Oct 26, 1989 of Congressman Henry Gonzalez, Head of the House Banking Committee. a copy of the witness list is attached

b6
b7C

58C-PX-41605-44

SEARCHED	INDEXED
SERIALIZED <i>init</i>	FILED
NOV 20 1989	
FBI - PHOENIX	

[redacted]

(1)
JF

Witness List

10:00 a.m.
Thursday
October 26
2128 RHOB

William Crawford, Commissioner,
California State Department Savings and
Loans

William Davis, Deputy Commissioner,
California State Department of Savings
and Loans

Mike Patriarca, Acting Principal
Supervisory Agent, San Francisco Region,
Office of Thrift Supervision.

William Black, Acting District Counsel,
San Francisco Region, Office of Thrift
Supervision

H. Joe Selby, Former Director of
Regulatory Affairs, Federal Home Loan
Bank of Dallas.

opening ✓ 0

Henry Gonzalez, Head of
House Committee

File - Serial Charge Out
FD-5 (Rev. 6-17-70)

File 58 PX 41605 Date _____
Class. Case No. Last Serial

☐ Pending

☐ Closed

Serial No.

Description of Serial

Date
Charged

5 Closed
LA 58 PX 41605D

Employee

RECHARGE

Date _____

To _____ From _____

Initials of Clerk { _____

Date { _____

Date charged

Employee

Location

FBI

TRANSMIT VIA:

☒ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

☐ Immediate
☐ Priority
☒ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☒ UNCLAS

Date 11/20/89

1 FM FBI PHOENIX (58C-41605) (P)
 2 TO DIRECTOR FBI/ROUTINE/
 3 FBI LOS ANGELES (58C-PX-41605)/ROUTINE/
 4 FBI SAN FRANCISCO (58C-PX-41605)/ROUTINE/
 5 BT

UNCLAS

CITE: //3630//

8 SUBJECT: ALLEGATIONS CONCERNING U.S. SENATORS ALAN CRANSTON,
 9 DENNIS DE CONCINI, JOHN GLENN, JOHN MC CAIN, DONALD REIGLE,
 10 CHARLES H. KEATING, JR., DBA LINCOLN SAVINGS AND LOAN (LSL)
 11 ASSOCIATION OF CALIFORNIA AND AMERICAN CONTINENTAL CORPORATION
 12 (ACC), PHOENIX, ARIZONA; CORRUPTION OF FEDERAL PUBLIC OFFICIALS -
 13 LEGISLATIVE; OO: PHOENIX/LOS ANGELES.

14 RE LOS ANGELES TELETYPE TO DIRECTOR NOVEMBER 14, 1989,
 15 PHOENIX TELCALL TO SAN FRANCISCO, NOVEMBER 20, 1989.

REB:kt

KFX0100.324

Approved: LJA/DEB

Transmitted

(Number)

(Time)

Per

MRI: 1513 JULIAN DATE: 325

ISN: 000 ACCEPTED AT: 1728

FILTER FILE NAME: KFX01000-324

OPERATOR'S INITIALS: D8L

58C41605-5

^PAGE TWO PX 58C-4605 UNCLAS

FOR THE INFORMATION OF SAN FRANCISCO, PHOENIX AGENTS [REDACTED]
[REDACTED] AND LOS ANGELES AGENTS [REDACTED]
[REDACTED] WILL BE IN SAN FRANCISCO, NOVEMBER 27-30,
1989, TO CONDUCT INTERVIEWS OF EMPLOYEES OF THE OFFICE OF THRIFT
SUPERVISION (OTS). AGENTS WILL BE STAYING AT THE MARK HOPKINS
HOTEL. NO ASSISTANCE IS REQUESTED OF SAN FRANCISCO FBI AT THIS
TIME. SAC'S LOS ANGELES, SAN FRANCISCO AND PHOENIX CONCUR IN
AGENTS' TRAVEL TO INTERVIEW OTS EMPLOYEES. THE UACB AGENTS WILL
TRAVEL AS DESCRIBED.

BT

b6
b7c

File - Serial Charge Out
FD-5 (Rev. 6-17-70)

File 58 41605 Date _____
Class. Case No. Last Serial

☐ Pending

☐ Closed

Serial No.

Description of Serial

Date
Charged

6

Revised on

58-41605 D

Employee

RECHARGE

Date _____

To _____ From _____

Initials of
Clerk {

Date {

Date charged

Employee

Location

0006 MFI 01645

RR FPIPX

TP FEJAT #0014 3390341

ZNY EEEF

R 042333Z DEC 89

FM FPI ATLANTA

TO FPI PHOENIX (58C-PX-41605)/ROUTINE/

RT

UNCLAS E F T O

CITE: //3040:1378//

SUBJECT: ~~ALLEGATIONS AGAINST UNITED STATES SENATORS, ALLEN~~
~~CRANSTON; DENNIS W. DECONCINI; JOHN GLENN; ET AL; OO:LOS~~
~~ANGELES/PHOENIX.~~

PREFERENCE TELCALL FROM SPECIAL AGENT TO
PHOENIX DIVISION, DATED NOVEMBER 30, 1989.

b6
b7C

ADMINISTRATIVE:

FOR INFORMATION OF PHOENIX DIVISION, THE ATLANTA DIVISION,
THOMASVILLE RESIDENT AGENCY, HAS RECEIVED INFORMATION REGARDING
THE ABOVE-CAPTIONED CASE. THIS INFORMATION HAS BEEN OBTAINED
CONFIDENTIALITY. IT IS REQUESTED THAT THE CASE AGENT

[Handwritten signature]

58C-PX-41605-6

SEARCHED	INDEXED
SERIALIZED	FILED
DEC 4 1989	
FBI - PHOENIX	

PAGE TWO DF FPIAT 0014 UNCLAS E F T O

(CSA [REDACTED] BE CONTACTED PRIOR TO ANY ACTION INVOLVING
THIS INFORMATION.

b6
b7C

ON NOVEMBER 13, 1989, A CONFIDENTIAL SOURCE OF THE ATLANTA
DIVISION MET WITH SPECIAL AGENT [REDACTED] THOMASVILLE
RESIDENT AGENCY.

SOURCE STATED THAT [REDACTED]

b6
b7C
b7D

Airtel

TRANSMIT VIA: _____

Unclas

CLASSIFICATION: _____

DATE: 12/5/89

FROM: Director, FBI

TO: SACs, Phoenix (58C-PX-41605)
Los Angeles

ALLEGATIONS CONCERNING U.S. SENATORS ALAN CRANSTON, DENNIS DECONCINI, JOHN GLENN, JOHN MCCAIN, DONALD RIEGLE; CHARLES H. KEATING, DBA LINCOLN SAVINGS AND LOAN (S&L) ASSOCIATION OF CALIFORNIA AND AMERICAN CONTINENTAL CORPORATION; PHOENIX, ARIZONA; CORRUPTION OF FEDERAL PUBLIC OFFICIALS - LEGISLATIVE; OO: PHOENIX OO: LOS ANGELES

ReButelcal of SSA [] to SSA []
Phoenix Division on 11/29/89.

b6
b7c

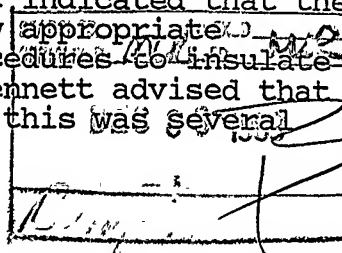
Enclosed for Phoenix are copies of the testimony and exhibits of individuals appearing before the Committee on Banking, Finance and Affairs, U.S. House of Representatives, and a copy of the Congressional Record - Senate relating to the response of Senator Cranston to Common Cause from the Senate Ethics Committee.

For information of receiving offices, on 11/30/89, representatives of the White-Collar Crimes Section and Congressional Affairs Office met with Robert S. Bennett, of the law firm Dunnell, Duvall, Bennett and Porter. Bennett, the brother of William Bennett, Director of National Drug Control Policy, has been appointed by the Senate Select Committee on Ethics to investigate their actions of the captioned senators in the intervention on behalf of Lincoln S&L Association with the Federal Home Loan Bank Board.

The purpose of this meeting was to open a line of communication in view of the parallel investigative interests in this matter. Discussed were areas of common concerns and an offer of, to the extent permissible by policy and legal considerations, an exchange of information. Issues regarding original evidence and the possibility of granting of immunity were discussed.

Bennett assured that his office would only accept copies of documents from witnesses eliminating the problem of the FBI having to obtain the originals from his office. As it relates to the granting of immunity, Bennett indicated that the FBI would be notified in ample time to allow appropriate investigative action and to prepare for procedures to insulate investigative Agents from the testimony. Bennett advised that public hearings are a possibility, however, this was several months away.

100 58PX41605E



58C-PX-41605-7 FBI/DOJ

Airtel to SAC, Phoenix

RE: Allegations Concerning U.S. Senators Alan Cranston, Dennis DeConcini, John Glenn, John McCain, Donald Riegle; Charles H. Keating, DBA Lincoln Savings and Loan (S&L) Association of California and American Continental Corporation; Phoenix, Arizona; Corruption of Federal Public Officials - Legislative; OO: PHOENIX OO: LOS ANGELES

The meeting, which was cordial throughout, concluded with the agreement to keep the lines of communication open and to exchange information, where possible.

FBIHQ is currently in the process of obtaining copies of the television programs, "Nightline" on 11/22/89, and "This Week with David Brinkley," of 11/26/89, relating to captioned matter. Upon receipt, Phoenix and Los Angeles will be provided with copies of same. Phoenix and Los Angeles should remain alert to any information pertaining to interviews both in print or electronic media, of captioned subjects and/or possible witnesses in captioned matter.

TRANSMIT VIA: AIRTEL

CLASSIFICATION: _____

DATE: 11/13/89

FROM: Director, FBI

TO: SACs, Phoenix (58C-PX-NEW)

CHANGED:

ALLEGATIONS CONCERNING U.S. SENATORS ALAN CRANSTON, DENNIS DECONCINI, JOHN GLEN, JOHN MCCAIN, DONALD RIEGLE; CHARLES H. KEATING, DBA LINCOLN SAVINGS AND LOAN (S&L) ASSOCIATION OF CALIFORNIA AND AMERICAN CONTINENTAL CORPORATION, PHOENIX, ARIZONA; CORRUPTION OF FEDERAL PUBLIC OFFICIALS - LEGISLATIVE; OO: PHOENIX; OO: LOS ANGELES

Title marked changed to indicate actual character of case as "Corruption of Federal Public Officials". Title previously carried character as "Corruption of State and Local Public Officials."

Re: Buteltype to receiving offices dated 11/9/89, and Butelcall of SSA [redacted] to SSA [redacted] Phoenix Division and SSA [redacted] Santa Anna Resident Agency, on 11/10/89.

b6
b7C

Enclosed for receiving offices are two copies each of a Memorandum dated 11/7/89, from Edward S. G. Dennis, Jr., Assistant Attorney General, Department of Justice to the Director, FBI, re captioned matter. Enclosed for Phoenix, under separate package copy and sent overnight express, are the Financial Disclosure Statements for captioned U. S. Senators, and the testimony and exhibits of individuals appearing before the Committee on Banking, Finance and Urban Affairs, U. S. House of Representatives.

During re telcall to SSA [redacted] Phoenix Division was requested to xerox enclosures sent overnight express and make available for Los Angeles Division.

b6
b7C

- ③ - Phoenix (Enc. 2) TO SA Murgers/89
- 2 - Los Angeles

*1 cc placed
38PX41605E*

58C-PX-41605-8

SEARCHED	INDEXED
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NOV 20 1989	
FBI - PHOENIX	

[redacted]

File - Serial Charge Out
FD-5 (Rev. 6-17-70)

File 58 PX 41605 Date _____
Class. Case No. Last Serial

☐ Pending

☐ Closed

Serial No.

Description of Serial

Date
Charged

9

Revised

58 PX 41605E

Employee

RECHARGE

Date _____

To _____ From _____

Initials of
Clerk

{ _____

Date

{ _____

Date charged

Employee

Location

File - Serial Charge Out
FD-5 (Rev. 6-17-70)

File 58 PX 41605 Date _____
Class. Case No. Last Serial

☐ Pending

☐ Closed

Serial No.

Description of Serial

Date
Charged

10 Permanently placed
in 58 PX 41605-D

Employee

RECHARGE

Date _____

To _____ From _____

Initials of
Clerk

{ _____

Date

{ _____

Date charged

Employee

Location

Memorandum



To : SAC, PX 39A-LA-102009 SUB P

Date 8/18/89

From : SAA [REDACTED]

Subject : DESERT GEM
MURKIN 24
(OO: PX/LA)

b6
b7C

ATTACHED IS A COPY OF A memorandum dated
July 25, 1985 from American Continental Employee
[REDACTED] reflecting \$20,000 in total

b6
b7C

contributions from American Continental employees and
family members To [REDACTED] Senator

Dennis DeConcini, (Arizona) Election Committee.

This memorandum was located during an investigative
review of documents in PX case 56C-PX-40548
(NON-FGJ RECORDS).

①

- 1- PX 29A-LA-102009
- 1- LA 58C-PX-41605

58C-PX-41605-11

SEARCHED	INDEXED
SERIALIZED	FILED
DEC 14 1989	
FBI - PHOENIX	

[REDACTED]

b6
b7C

July 25, 1985

b6
b7C

[redacted]
[redacted]
Scottsdale, Arizona 85253

Dear [redacted]

Please find enclosed the following contributions to the Dennis Deconcini Election Committee for Campaign '88:

<u>Name</u>	<u>Contribution</u>
[redacted]	\$2000
Charles H Keating, Jr. [redacted]	1000
	1000
	1000
	1000
	1000
	1000
	1000
	2000
	1000
	1000
	1000
	2000
	1000
	1000
	1000
	1000

20,500
OK

Sincerely,

[redacted]

[redacted] on

~~2~~

CONTRIBUTIONS TO DENNIS DECONCINI '88 CAMPAIGN
BY CHARLES H. KEATING, JR. AND RECOGNISED ASSOCIATES

CASE NUMBER: 29A-PX-102009

CASE SUBJECT: CHARLES H. KEATING, JR. et al

NAME	BANK	ACCOUNT NUMBER
[REDACTED]	INTERWEST BANK	[REDACTED]
[REDACTED]	LINCOLN SAVINGS AND LOAN	[REDACTED]
[REDACTED]	VALLEY NATIONAL BANK	[REDACTED]
KEATING, CHARLES H. JR.	VALLEY NATIONAL BANK	0680-6961
KEATING, CHARLES H. JR. SPECIAL	VALLEY NATIONAL BANK	1468-2014
[REDACTED]	VALLEY NATIONAL BANK	[REDACTED]
[REDACTED]	VALLEY NATIONAL BANK	[REDACTED]
[REDACTED]	VALLEY NATIONAL BANK	[REDACTED]
[REDACTED]	VALLEY NATIONAL BANK	[REDACTED]
[REDACTED]	VALLEY NATIONAL BANK	[REDACTED]
[REDACTED]	FIRST INTERSTATE BANK	[REDACTED]
[REDACTED]	MERRILL LYNCH-BANK ONE-COLUMBUS, OH	[REDACTED]
[REDACTED]	VALLEY NATIONAL BANK	[REDACTED]
[REDACTED]	VALLEY NATIONAL BANK	[REDACTED]
[REDACTED]	VALLEY NATIONAL BANK	[REDACTED]
[REDACTED]	FIRST INTERSTATE BANK	[REDACTED]
[REDACTED]	VALLEY NATIONAL BANK	[REDACTED]
[REDACTED]	LINCOLN SAVINGS AND LOAN	[REDACTED]
[REDACTED]	SCOTTSDALE COMMERCIAL BANK	[REDACTED]
[REDACTED]	VALLEY NATIONAL BANK	[REDACTED]
[REDACTED]	WESTERN SAVINGS	[REDACTED]
[REDACTED]	LINCOLN SAVINGS AND LOAN	[REDACTED]
[REDACTED]	VALLEY NATIONAL BANK	[REDACTED]
[REDACTED]	UNITED BANK (NOW CITIBANK)	[REDACTED]
[REDACTED]	VALLEY NATIONAL BANK	[REDACTED]

b6
b7c

Memorandum



To : SAC, PX 58C-PX-41605

Date 12/18/89

From : SAA

b6
b7C

Subject : SENATOR ALAN CRANSTON;
et AL
Bribery; Corruption of Public Officials - Federal
OO: PX
OO: LA

on Dec 14, 1989 Mayor Herb Drinkwater,
Scottsdale, Arizona advised writer that in
connection with his 1980 election his campaign
received a bundle of checks from Charles
Keating that totaled \$27,000. The checks were
not accepted by Mayor Drinkwater nor were the
checks sent over by Keating in Drinkwater's
two subsequent re-elections. The contributions
were returned as they exceeded Drinkwater's
personal limits on amounts he will accept
for contributions from one source.

(3)

1-29D-LA-102009 SUB C

0

58C-PX-41605-12

SEARCHED	INDEXED
SERIALIZED	FILED
DEC 18 1989	
FBI - PHOENIX	

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b7C

File - Serial Charge Out
FD-5 (Rev. 6-17-70)

File _____ Class. _____ Case No. _____ Last Serial _____ Date _____

☐ Pending

☐ Closed

Serial No.

Description of Serial

Date
Charged

13 -
18 Placed in
58 PX 4/605-B

Employee

RECHARGE

Date _____

To _____ From _____

Initials of
Clerk

{ _____

Date

{ _____

Date charged

Employee

Location

File - Serial Charge Out
FD-5 (Rev. 6-17-70)

File 58 CPA 41605 Date _____
Class. Case No. Last Serial

☐ Pending

☐ Closed

Serial No.

Description of Serial

Date
Charged

19 Permanently placed
in 58 PX 41605 Sub F

Employee

RECHARGE

Date _____

To _____ From _____

Initials of
Clerk

Date

Date charged

Employee

Location

File - Serial Charge Out
FD-5 (Rev. 6-17-70)

File 58 PX 41605 Date _____
Class. _____ Case No. _____ Last Serial _____

☐ Pending ☐ Closed

Serial No. _____ Description of Serial _____ Date Charged _____

20 - Revised
29 in 58 PX 41605 B

Employee

RECHARGE Date _____

To _____ From _____

Initials of Clerk { _____

_____ } Date { _____

_____ }

Date charged

Employee

Location

Memorandum



To : SAC PX 58C 41605 P

Date 1/16/90

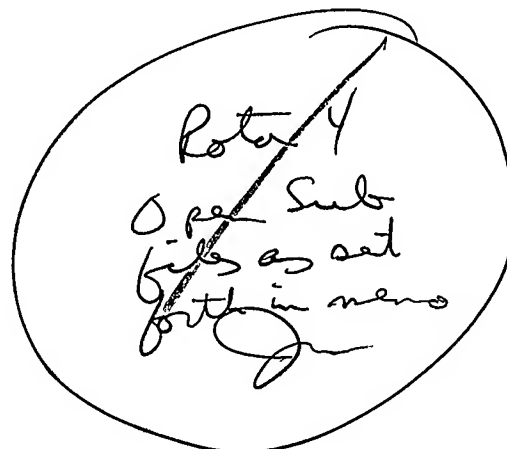
From : SA

Subject : Allegations against US Senators,
Alan Cranston, et al
CPO
OO: PX

b6
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It's recommended that a Sub C
Volume be opened for FD302's and
other sub volumes as follows:

- C✓ FD302
- D✓ Teletypes
- E✓ airtels (incoming)
- F✓ Bu airtels (outgoing)



58C-PX 41605-30

SEARCHED.....	INDEXED.....
SERIALIZED <i>ad</i>	FILED <i>mal</i>
JAN 11 1990	
FBI PHOENIX	

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[Handwritten symbol]

MAIN-
58C-PX-41605 SUB-
311

SEARCHED	INDEXED
SERIALIZED	FILED
JAN 27 1990	
FBI - PHOENIX	
<i>[Redacted]</i>	

(1070)

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b7C

Memorandum



To : SAC PK 58C 41605 Date P 1/10/90

From : SA [REDACTED]

b6
b7C

Subject : Allegations Against Senators
Alan Cranston, et al

On 1/10/90 a friend of [REDACTED] (SA, SU)
who didn't want his/her identity
revealed, said that [REDACTED]

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[REDACTED]
This info was passed on to SA
[REDACTED] SARA-LA Den. 1/10/90

58C-PX-41605-32

SEARCHED	INDEXED
SERIALIZED	FILED
JAN 26 1990	

[REDACTED]

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[Handwritten signature]

582 PX 41605-34

SEARCHED.....	INDEXED.....
SERIALIZED <i>mu</i>	FILED <i>mu</i>
FEB 13 1990	
<div data-bbox="1127 473 1395 561" style="border: 1px solid black; height: 40px; width: 152px;"></div>	

[Handwritten scribble]

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602/279-5511

FD-448 (Rev. 3-7-88)

Transmit attached by Facsimile

PRECEDENCE

- ☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION

- ☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

To: SAC, PHOENIX (58C-PX-41605)

From: SAC, LOS ANGELES
Subject: SANTA ANA R.A.

Date 2/5/90

- ☐ Fingerprint Photo ☐ Fingerprint Record ☐ Map ☐ Newspaper clipping ☐ Photograph
☐ Artists Conception ☐ Teletype ☒ Other Memo re meeting on 2/14/90

Special handling instructions:

Please deliver copies to

Approved: _____

b6
b7C

FBI/

TO: LISTED AGENTS

FROM: SA [REDACTED]

SUBJECT: POLITICAL CORRUPTION MEETING SCHEDULED FOR 2/14/90,
ANAHEIM HILTON SUITES, SANTA ANA, CALIFORNIA

On 2/14/90, a meeting is scheduled for all individuals involved in the Political Corruption cases which have been generated from DESERT GEM; MAJOR CASE 24.

The meeting will be held at the ANAHEIM HILTON SUITES near the Santa Ana Resident Agency. It is suggested all attendees plan on arriving the afternoon or evening of 2/13/90 and schedule a return the afternoon or evening of 2/15/90. The following are all matters which will be discussed:

FILE: 56C-LA-101615

TITLE: CHARLES KEATING, JR., CHAIRMAN, AMERICAN CONTINENTAL CORPORATION, Phoenix, Arizona; UNSUBS, PRINCIPALS AND OFFICERS OF AMERICAN CONTINENTAL CORPORATION; UNSUBS, PRINCIPALS AND OFFICERS OF LINCOLN SAVINGS AND LOAN ASSOCIATION, Irvine, California; ELECTION LAW VIOLATION; OO: Los Angeles.

FOCUS: (1.) Conduit contributions to various federal politicians resulting in reimbursement to those conduits from KEATING or his organizations.

(2.) Tax exempt organizations initiated by Senator ALAN CRANSTON, [REDACTED] and their associates regarding the theory the organizations are actually partisan organizations which should be covered under the Federal Election Campaign Act.

FILE: 58C-PX-41605

TITLE: ALLEGATIONS CONCERNING U.S. SENATORS ALAN CRANSTON, DENNIS D. DECONCINI, JOHN GLENN, JOHN MCCAIN, DONALD RIEGLE; CHARLES H. KEATING, JR., dba AMERICAN CONTINENTAL CORPORATION, Phoenix, Arizona, and LINCOLN SAVINGS AND LOAN ASSOCIATION, Irvine, California; CORRUPTION OF FEDERAL PUBLIC OFFICIALS - LEGISLATIVE; OO: PX/LA.

FOCUS: Allegations that five high ranking U.S. senators listed in the title corruptively attempted to and did in fact influence the FEDERAL HOME LOAN BANK BOARD in return for contributions to tax exempt organizations and to their various campaigns.

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FILE: 194-LA-108012

TITLE: LAWRENCE W. TAGGART; FORMER COMMISSIONER OF THE CALIFORNIA DEPARTMENT OF SAVINGS AND LOAN; CHARLES H. KEATING, JR.; dba LINCOLN SAVINGS AND LOAN, Irvine, California; CORRUPTION OF STATE AND LOCAL POLITICIANS - STATE LEVEL; OO: Los Angeles.

FOCUS: (1.) Relationship between TAGGART and CHARLES KEATING, JR., as it relates to approvals of direct investments granted by TAGGART and the ultimate investment by LINCOLN SAVINGS AND LOAN and the consulting contract with TCS companies.

(2.) The possible conspiracy involving TAGGART and former VERNON SAVINGS AND LOAN officer [redacted] as it relates to the attempted purchase of SHELTER ISLAND SAVINGS AND LOAN.

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FILE: 58A-NEW

TITLE: [redacted] former member of the FEDERAL HOME LOAN BANK BOARD, Washington, D.C.; CHARLES H. KEATING, JR.; dba LINCOLN SAVINGS AND LOAN, Irvine, California; CORRUPTION OF FEDERAL PUBLIC OFFICIALS - REGULATORY; OO: Los Angeles.

FOCUS: The relationship between [redacted] and CHARLES KEATING, JR., as it relates to [redacted] appointment on the FEDERAL HOME LOAN BANK BOARD and his attempt to change a regulation which would specifically benefit KEATING and LINCOLN SAVINGS AND LOAN.

follows: The purpose and objectives of this meeting are as

1. prioritize the above matters.
2. Prioritize investigation within each individual case.
3. Determine needed resources in investigating the above matters.
4. Identify, discuss, and assign detailed investigation to be conducted in each of the above matters.

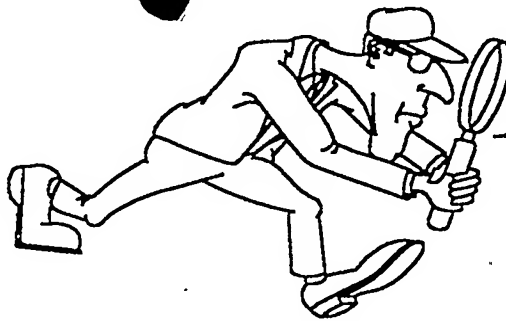
Each attendee is requested prior to the 2/14/90 meeting to personally analyze all aspects of the above matters and to come to the meeting with definite ideas and suggestions concerning strategy, investigative priority of the above cases, investigative priority within each of the above cases, needed resources, and detailed investigation to be completed.

Although each attendee may be primarily concerned with one of the above cases or some particular aspect of each of the cases, it is very important that each attendee does not limit their thinking to that particular area of concern. It is essential the investigation concerning the above matters is a team effort and all ideas, suggestions, and strategies should be voiced and discussed. For example, regarding the file 58C-PX-41605, even though the agents working this matter may be primarily concerned with United States Senators within their state, it is important to analyze and discuss what leads and investigation should be conducted regarding the out-of-state senators. It will be very beneficial if all attendees can discuss and come to an agreement regarding leads to be sent out to other divisions who at this point may not be involved in the investigation.

Attendees

[redacted]	SSRA, FBI Santa Ana
[redacted]	SSA, FBI Phoenix
[redacted]	SA, FBI Santa Ana
[redacted]	SA, FBI Santa Ana
[redacted]	SA, FBI Santa Ana
[redacted]	SA, FBI Phoenix
[redacted]	SA, FBI Phoenix
[redacted]	AUSA, Los Angeles
[redacted]	SA, IRS Los Angeles
[redacted]	SA, FBIHQ Washington D.C.

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JUST LOOKING
FOR THE FAX!

FD-448 (Rev. 3-7-88)

Transmit attached by Facsimile

PRECEDENCE:

- ☐ Immediate
☒ Priority
☐ Routine

CLASSIFICATION:

- ☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☒ UNCLAS E F T O
☐ UNCLAS

To: SAC, MILWAUKEE

From: SAC, PHOENIX (56C-PX-41605)

Subject: ALLEGATIONS CONCERNING U.S. SENATORS
ALAN CRANSTON, DENNIS D. DECONCINI, JOHN GLENN, JOHN MCCAIN,
DONALD REIGLE; CHARLES H. KEATING, JR., DBA, ETAL;
CORRUPTION OF FEDERAL PUBLIC OFFICIALS-LEGISLATIVE;
OO: PHOENIX/LOS ANGELES

Date February 12, 1990

☐ Fingerprint Photo ☐ Fingerprint Record ☐ Map ☐ Newspaper clipping ☐ Photograph

☐ Artists Conception ☐ Teletype

☒ Other Grand Jury subpoena for [redacted]

Special handling Instructions: [redacted]

Residence address [redacted]

telephone [redacted]

Phoenix Division.

Direct questions to SA [redacted]

Approved: JFA/Dr

FBI/DOJ

58C-PX-41605-35

SEARCHED	INDEXED
SERIALIZED <u>mur</u>	FILED <u>mur</u>
FEB 17 1990	
FBI - PHOENIX	

[redacted] [signature]

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AO 110 (Rev. 10/82)

SUBPOENA TO TESTIFY BEFORE GRAND JURY

United States District Court		DISTRICT CENTRAL DISTRICT OF CALIFORNIA	
TO: 		SUBPOENA FOR <input type="checkbox"/> Person <input checked="" type="checkbox"/> Document or Object	
<p>YOU ARE HEREBY COMMANDED to appear in the United States District Court at the location, date, and time specified below to testify before the Grand Jury</p>			
PLACE United States Courthouse 312 North Spring Street Los Angeles, California 90012		COURTROOM 1346B	
		DATE AND TIME March 1, 1990 9:00 a.m.	
<p>YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):⁽¹⁾</p> <div style="border: 1px solid black; padding: 20px; text-align: center; margin: 10px 0;"> <p><u>SEE ATTACHMENT</u></p> </div> <p><input type="checkbox"/> Please see additional information on reverse</p>			
<p>This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the SDJC.</p>			
CLERK LEONARD A. BROSRAN		DATE January 31, 1990	
(BY) DEPUTY CLERK <i>[Signature]</i>			
<p>This subpoena is based on application of the United States of America by:</p> <p>ROBERT L. BROSRIO United States Attorney</p>		<p>FILE ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY</p> <p>Stephen A. Mansfield Assistant United States Attorney 1300 United States Courthouse 312 North Spring Street Los Angeles, California 90012 Telephone: (213) 894-3358</p>	

2) If not applicable, enter "none."

AGENT: S/A
S/A

NOTE: AN AGENT OF THE FBI WILL DELIVER THE ABOVE-MENTIONED DOCUMENTS TO THE GRAND JURY SHOULD YOU DESIRE VOLUNTARILY TO SURRENDER THEM TO THE GRAND JURY IN ADVANCE OF THE GRAND JURY DATE

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ATTACHMENT

For the period [redacted] any and
all [redacted] documents included, but not limited to, any and
[redacted]

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[redacted]

[redacted]

RETURN OF SERVICE⁽²⁾

RECEIVED BY SERVER	DATE	PLACE
SERVED	DATE	PLACE

SERVED ON (NAME)

SERVED BY

TITLE

STATEMENT OF SERVICE FEES

TRAVEL	SERVICES	TOTAL
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DECLARATION OF SERVER⁽³⁾

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Return of Service and Statement of Service Fees is true and correct.

Executed on _____

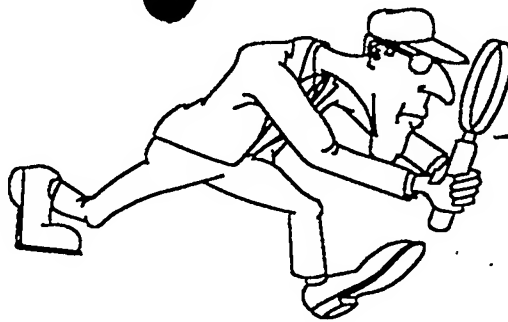
Day

Signature of Server

Address of Server

ADDITIONAL INFORMATION

(1) As to who may serve a subpoena and the manner of its service see Rule 17(c), Federal Rules of Criminal Procedure, or Rule 65(c), Federal Rules of Civil Procedure.
 (2) "For one witness need not be tendered to the witness upon service of a subpoena issued on behalf of the United States or an officer or agent thereof (Rule 65(c), Federal Rules of Civil Procedure, Rule 17(e), Federal Rules of Criminal Procedure) or on behalf of certain the post office and criminal defendants who are unable to pay such costs (28 USC 1825, Rule 17(d) Federal Rules of Criminal Procedure)."



JUST LOOKING
FOR THE FAX!

FD-448 (Rev. 3-7-88)

Transmit attached by Facsimile

PRECEDENCE:

☐ Immediate
☒ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☒ UNCLAS E F T O
☐ UNCLAS

To: ADIC, NEW YORK

From: SAC, PHOENIX, (58C-PX-41605)

Subject: ALLEGATIONS CONCERNING U.S. SENATORS Date February 12, 1990
ALAN CRANSTON, DENNIS D. DECONCINI, JOHN GLENN, JOHN MCCAIN,
DONALD REIGLE; CHARLES H. KEATING, JR., DBA, ETAL;
CORRUPTION OF FEDERAL PUBLIC OFFICIALS-LEGISLATIVE;
OO: PHOENIX/LOS ANGELES

☐ Fingerprint Photo ☐ Fingerprint Record ☐ Map ☐ Newspaper clipping ☐ Photograph

☐ Artists Conception ☐ Teletype

☒ Other Grand Jury subpoena for

Special h

residence address

Residence telephone

Work telephone

Refer any questions to SA [redacted] Phoenix Division.

Approved: JFA

FBI/DOJ

58C-PX-41605-36

SEARCHED	INDEXED
SERIALIZED	FILED
FEB 12 1990	
PHOENIX	

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SUBPOENA TO TESTIFY BEFORE GRAND JURY

United States District Court		DISTRICT CENTRAL DISTRICT OF CALIFORNIA
TO: 		SUBPOENA FOR <input type="checkbox"/> Person <input checked="" type="checkbox"/> Document or Object

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YOU ARE HEREBY COMMANDED to appear in the United States District Court at the, location, date, and time specified below to testify before the Grand Jury

PLACE United States Courthouse 312 North Spring Street Los Angeles, California 90012	COURTROOM 1346B
	DATE AND TIME March 1, 1990 9:00 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):⁽¹⁾

SEE ATTACHMENT

☐ Please see additional information on reverse

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK LEONARD A. BROSKAN <i>Robert L. Brosio</i>	DATE January 31, 1990
This subpoena is based on application of the United States of America by: ROBERT L. BROSION United States Attorney	NAME ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY Stephen A. Mansfield Assistant United States Attorney 1300 United States Courthouse 312 North Spring Street Los Angeles, California 90012 Telephone: (213) 894-3358

2) If not applicable, enter "none."

AGENT: S/A
S/A

NOTE: AN AGENT OF THE FBI WILL DELIVER THE ABOVE-MENTIONED DOCUMENTS TO THE GRAND JURY SHOULD YOU DESIRE VOLUNTARILY TO SURRENDER THEM TO THE GRAND JURY IN ADVANCE OF THE GRAND JURY DATE INDICATED ABOVE.

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RETURN OF SERVICE ⁽¹⁾		
RECEIVED BY SERVER	DATE	PLACE
SERVED	DATE	PLACE
SERVED ON (NAME)		
SERVED BY		TITLE
STATEMENT OF SERVICE FEES		
TRAVEL	SERVICES	TOTAL
DECLARATION OF SERVER ⁽²⁾		
<p>I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Return of Service and Statement of Service Fees is true and correct.</p> <p>Executed on _____ <div style="display: flex; justify-content: space-between;"> <div> <p>City</p> <p>State</p> </div> <div> <p>Signature of Server</p> <p>Address of Server</p> </div> </div> </p>		
<p>ADDITIONAL INFORMATION</p>		

- (1) As to who may serve a summons and the manner of its service see Rule 37(a), Federal Rules of Criminal Procedure, or Rule 45(c), Federal Rules of Civil Procedure.
- (2) Fees and mileage need not be tendered to the witness upon service of a summons issued on behalf of the United States or an officer or agency thereof (Rule 45(c), Federal Rules of Civil Procedure, Rule 37(e), Federal Rules of Criminal Procedure) or on behalf of certain non-governmental entities and training organizations who are unable to pay such costs (28 USC 5825, Rule 37(b), Federal Rules of Criminal Procedure).

ATTACHMENT

For the period

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58C-Px-41605-37

SEARCHED	INDEXED
SERIALIZED	FILED
FEB 1 1990	
FBI - PHOENIX	



[Handwritten signature]

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b7C

10 210 (Rev. 10/87)

SUBPOENA TO TESTIFY BEFORE GRAND JURY

United States District Court

DISTRICT

CENTRAL DISTRICT OF CALIFORNIA

TO:

SUBPOENA FOR

☐ Person☒ Document or Object

YOU ARE HEREBY COMMANDED to appear in the United States District Court at the location, date, and time specified below to testify before the Grand Jury

PLACE

United States Courthouse
312 North Spring Street
Los Angeles, California 90012

COURTROOM

1346B

DATE AND TIME

March 1, 1990
9:00 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):⁽¹⁾

SEE ATTACHMENT

☐ Please see additional information on reverse

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK

LEONARD A. BROSKAN

DATE

January 31, 1990

This subpoena is issued on application
of the United States of America by:

ROBERT L. BROGIO
United States Attorney

MAIL ADDRESS AND HOME NUMBER OF ASSISTANT U.S. ATTORNEY

Stephen A. Mansfield
Assistant United States Attorney
1300 United States Courthouse
312 North Spring Street
Los Angeles, California 90012
Telephone: (213) 894-3358

1) If not applicable, enter "none."

AGENT: S/A
S/A

NOTE: AN AGENT OF THE FBI
WILL DELIVER THE ABOVE-MENTIONED DOCUMENTS
TO THE GRAND JURY SHOULD YOU DESIRE
VOLUNTARILY TO SURRENDER THEM TO THE GRAND
JURY IN ADVANCE OF THE GRAND JURY DATE

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RETURN OF SERVICE⁽¹⁾

RECEIVED BY SERVER	DATE 2-7-90	PLACE By fax to Washington Field Office Washington, D.C.
SERVED	DATE 2-8-90	PLACE [Redacted]
SERVED ON (NAME) [Redacted]		
SERVED BY [Redacted]	TITLE Special Agent, F.B.I.	
STATEMENT OF SERVICE FEES		
TRAVEL	SERVICES	TOTAL

b3
b6
b7CDECLARATION OF SERVER⁽²⁾

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Return of Service and Statement of Service Fees is true and correct.

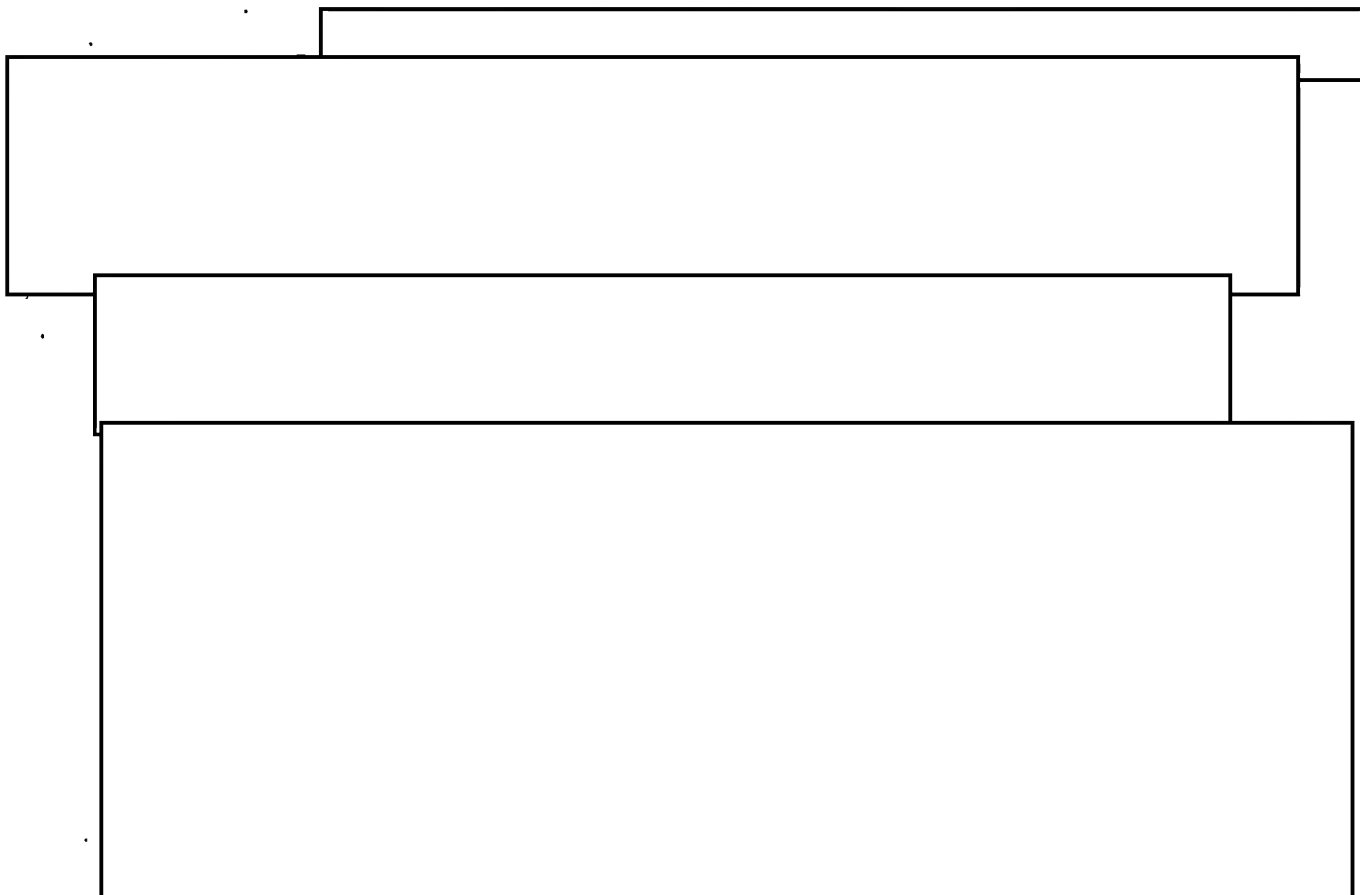
Executed on 2-8-90
[Redacted Signature]

Address of Server
[Redacted Address]

ADDITIONAL INFORMATION

- (1) As to who may serve a subpoena and the manner of its service see Rule 17(d), Federal Rules of Criminal Procedure, or Rule 65(c), Federal Rules of Civil Procedure.
- (2) "Fees and mileage need not be tendered to the witness upon service of a subpoena issued on behalf of the United States or an officer or agent thereof (Rule 65(c), Federal Rules of Civil Procedure, Rule 17(d), Federal Rules of Criminal Procedure) or on behalf of certain independent entities (see Criminal Subpoena who are unable to pay such costs (28 USC 1825, Rule 17(b) Federal Rules of Criminal Procedure))."

ATTACHMENT



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58C-Px-41605-38

SEARCHED	INDEXED
SERIALIZED	FILED
FEB 1 1990	
FBI - PHOENIX	

[Redacted Box] [Redacted Box] [Handwritten Signature]

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[Handwritten Mark]

(Rev. 10/87)

SUBPOENA TO TESTIFY BEFORE GRAND JURY

United States District Court

DISTRICT

CENTRAL DISTRICT OF CALIFORNIA

SUBPOENA FOR

☐ Person☒ Document or Object

YOU ARE HEREBY COMMANDED to appear in the United States District Court at the location, date, and time specified below to testify before the Grand Jury

ACE

United States Courthouse
312 North Spring Street
Los Angeles, California 90012

COURTROOM

1346B

DATE AND TIME

March 1, 1990
9:00 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

SEE ATTACHMENT

☐ Please see additional information on reverse

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

JRK

DONARD A. BROSKAN

DEPUTY CLERK

DATE

January 31, 1990

This subpoena is issued on application
of the United States of America by:

ROBERT L. BROGIO
United States Attorney

NAME ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY

Stephen A. Mansfield
Assistant United States Attorney
1300 United States Courthouse
312 North Spring Street
Los Angeles, California 90012
Telephone: (213) 894-3358

If not applicable, enter "none."

SENT: S/A
S/A

NOTE: AN AGENT OF THE FBI
WILL DELIVER THE ABOVE-MENTIONED DOCUMENTS
TO THE GRAND JURY SHOULD YOU DESIRE
VOLUNTARILY TO SURRENDER THEM TO THE GRAND
JURY IN ADVANCE OF THE TRIAL.

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RETURN OF SERVICE⁽¹⁾

RECEIVED BY SERVER	DATE 2-7-90	PLACE By fax to Washington Field Office, Washington D.C.
SERVED	DATE 2-8-90	PL [REDACTED]
SERVED ON (NAME) [REDACTED]		
SERVED BY [REDACTED]	TITLE Special Agents, F.B.I.	
T OF SERVICE FEES		
TRAVEL	SERVICES	TOTAL

b3
b6
b7CDECLARATION OF SERVER⁽²⁾

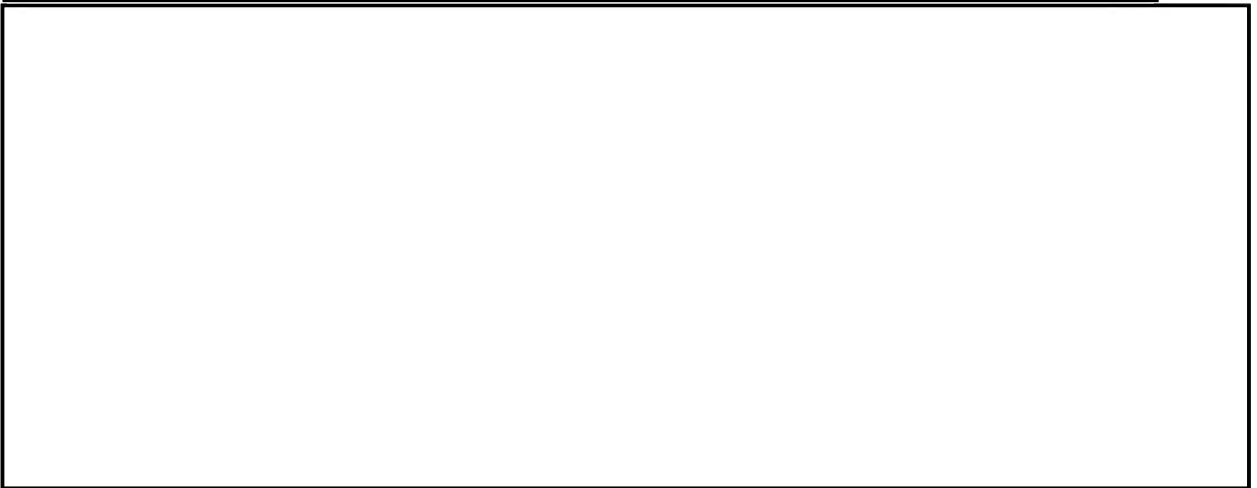
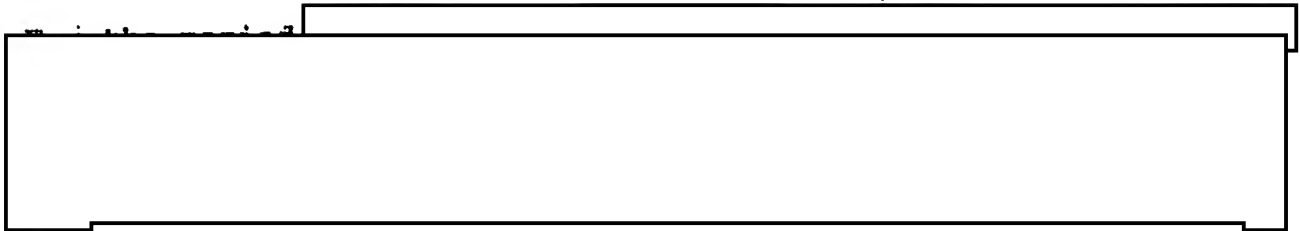
I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Return of

Executed on 2-8-90
Dow

ADDITIONAL INFORMATION

(1) As to who may serve a subpoena and the manner of its service see Rule 17(d), Federal Rules of Criminal Procedure, or Rule 65(c), Federal Rules of Civil Procedure.
 (2) Fees and mileage need not be tendered to the witness upon service of a subpoena issued on behalf of the United States or an officer or agent thereof (Rule 65(c), Federal Rules of Civil Procedure, Rule 17(d), Federal Rules of Criminal Procedure) or on behalf of certain independent entities and agencies (Rule 65(c), Federal Rules of Civil Procedure, Rule 17(d), Federal Rules of Criminal Procedure).
 (3) As to who may serve a subpoena and the manner of its service see Rule 17(d), Federal Rules of Criminal Procedure, or Rule 65(c), Federal Rules of Civil Procedure.

ATTACHMENT



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58C-Px-41605-39

SEARCHED	INDEXED
SERIALIZED	FILED
FEB 1 1960	
[Redacted]	
[Redacted]	

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AD 110 (Rev. 10/82)

SUBPOENA TO TESTIFY BEFORE GRAND JURY

United States District Court		DISTRICT CENTRAL DISTRICT OF CALIFORNIA	
TO: 		SUBPOENA FOR <input type="checkbox"/> Person <input checked="" type="checkbox"/> Document or Object	
<p>YOU ARE HEREBY COMMANDED to appear in the United States District Court at the location, date, and time specified below to testify before the Grand Jury</p>			
PLACE United States Courthouse 312 North Spring Street Los Angeles, California 90012		COURTROOM 1346B DATE AND TIME March 1, 1990 9:00 a.m.	
<p>YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):⁽¹⁾</p> <div style="border: 1px solid black; padding: 20px; text-align: center; height: 150px;"> <p><u>SEE ATTACHMENT</u></p> </div> <p><input type="checkbox"/> Please see additional information on reverse</p>			
<p>This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.</p>			
CLERK LEONARD A. BROSKAN <i>[Signature]</i>		DATE January 31, 1990	
DEPUTY CLERK <i>[Signature]</i>		NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY Stephen A. Mansfield Assistant United States Attorney 1300 United States Courthouse 312 North Spring Street Los Angeles, California 90012 Telephone: (213) 894-3358	
This subpoena is based on application of the United States of America by: ROBERT L. BROGIO United States Attorney			

(1) If not applicable, enter "none."

 AGENT: S/A
 S/A
 FBI (714) 542-8825

NOTE: AN AGENT OF THE FBI WILL DELIVER THE ABOVE-MENTIONED DOCUMENTS TO THE GRAND JURY SHOULD YOU DESIRE VOLUNTARILY TO SURRENDER THEM TO THE GRAND JURY IN ADVANCE OF THE GRAND JURY DATE INDICATED ABOVE.

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RETURN OF SERVICE⁽¹⁾

RECEIVED BY SERVER	DATE 2-7-90	PLACE By Fax to Washington Field Office Washington, D.C.
SERVED	DATE 2-9-90	PLACE

NAME	
------	--

NAME		TITLE Special Agents, FBI
------	--	------------------------------

STATEMENT OF SERVICE FEES		
TRAVEL	SERVICES	TOTAL

DECLARATION OF SERVER⁽²⁾

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Return of Service is true and correct.

Executed on 2-9-90
Signature

[Redacted Signature Area]

ADDITIONAL INFORMATION

[Large redacted area for additional information]

(1) As to who may serve a subpoena and the manner of its service see Rule 17(b), Federal Rules of Criminal Procedure, or Rule 45(c), Federal Rules of Civil Procedure.
(2) Fees and mileage need not be tendered to the witness upon service of a subpoena issued on behalf of the United States or an officer or agent thereof (Rule 45(c), Federal Rules of Civil Procedure, Rule 17(d), Federal Rules of Criminal Procedure) or on behalf of certain municipal parties and criminal defendants who are unable to pay such costs (28 USC 1825, Rule 17(b) Federal Rules of Criminal Procedure).

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b7C

FEB 5 '90 15:58

PAGE.004

ATTACHMENT

For the period

[Redacted]

[Redacted]

b3



U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No.

11000 Wilshire Boulevard
Los Angeles, California 90024

February 7, 1990

[redacted]
Assistant Inspector General for Investigations
U.S. Department of the Treasury
1201 Constitution N.W.
Washington, D.C. 20535

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RE: [redacted]

Dear [redacted]

This letter confirms a telephone conversation on
February 7, 1990, between [redacted] of your office and SA
[redacted] of our office.

We understand that [redacted] is in possession of the
file for an investigation conducted by the Inspector General of
the Federal Home Loan Bank Board (FHLBB), the subject of which
was former FHLBB member [redacted]. For criminal
investigative purposes, the Federal Bureau of Investigation (FBI)
respectfully requests that you make this file available to FBI
agents for review and copying.

[redacted] has agreed to provide, this week, the file
for review and copying to SA [redacted] of the FBI's Phoenix
Division.

Thank you for your courtesy.

Sincerely yours,

LAWRENCE G. LAWLER
Special Agent in Charge

BY: [redacted]

Senior Supervisory Resident Agent

1*

58C-PX-41605-40

SEARCHED	INDEXED
SERIALIZED	FILED
FEB 15 2 2 4007	
[redacted]	

File - Serial Charge Out
FD-5 (Rev. 10-13-89)

File 58CPX 41605 Date 4/1
Class. Office of Origin Case No. Last Serial

☐ Pending

☐ Closed

Serial No.	Description of Serial	Date Charged
	permanently	
	Charged out	
	to Sub C	

Employee

RECHARGE

Date _____

To _____ From _____

Initials of
Clerk {

Date {

Date charged

Employee

Location

AIRTEL

3/22/90

Director, FBI

SACs, Los Angeles (29D-LA-102009)

Phoenix--(58C-PX-41605)

ALLEGATIONS CONCERNING U.S. SENATORS ALAN CRANSTON,
DENNIS D. DECONCINI, JOHN GLENN, JOHN MCCAIN, DONALD
RIEGLE; CHARLES H. KEATING, JR., DBA LINCOLN SAVINGS
AND LOAN (LSL) ASSOCIATION OF CALIFORNIA AND AMERICAN
CONTINENTAL CORPORATION (ACC), PHOENIX, ARIZONA;
CORRUPTION OF FEDERAL PUBLIC OFFICIALS - LEGISLATIVE;
OO: PHOENIX/LOS ANGELES

Enclosed for the information of Los Angeles and Phoenix
are two copies each of a letter from [redacted] dated 3/9/90.

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The enclosed letter is being provided for any possible
assistance to the Los Angeles and Phoenix Divisions.

Enclosure

*Copy of letter
SA [redacted]*

4/4/90

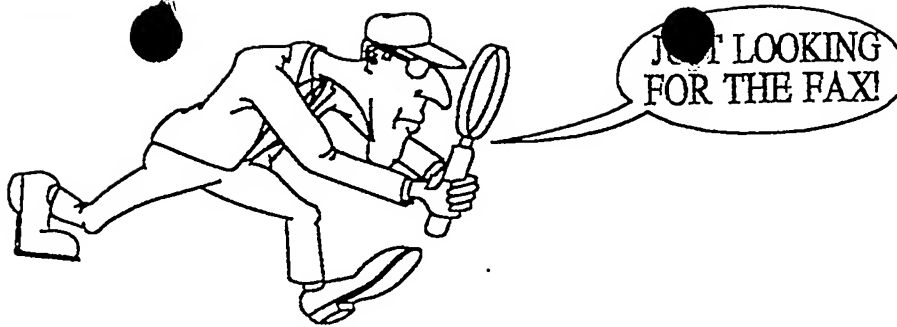
[Signature]

10 letter

58C-PX-41605-42

SEARCHED	INDEXED
SERIALIZED	FILED
MAR 30 1990	
FBI - PHOENIX	

[Signature]



FD-448 (Rev. 3-7-88)

Transmit attached by Facsimile

PRECEDENCE:

- ☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

- ☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☒ UNCLAS

To: SAC LA
From: Santa Ana RA 714-~~452~~-542-48825 b6
SAC PK (SA) [redacted] b7C
Date 4/4/90
Subject: *appeal against US Sours. 4:15 p.m. kj*
Alan Cranston, et al

- ☐ Fingerprint Photo ☐ Fingerprint Record ☐ Map ☐ Newspaper clipping ☐ Photograph
☐ Artists Conception ☐ Teletype ☒ Other *Letter*

Special handling Instructions:

attn: SA [redacted]

Approved: *[Signature]*

FBI/DOJ

Memorandum



To : SAC, PHOENIX (58C-PX-41605)

Date 4/3/90

From :

[REDACTED]

b6
b7C

Subject:

ALLEGATIONS CONCERNING U.S. SENATORS
ALAN CRANSTON, ET AL;
CHARLES H. KEATING, JR., DBA
LINCOLN SAVINGS AND LOAN ASSOCIATION,
CALIFORNIA AND AMERICAN CONTINENTAL
CORPORATION, PHOENIX, ARIZONA;
CORRUPTION OF PUBLIC OFFICIALS-
LEGISLATIVE;
OO: PX/LA

The following is a summary of investigation conducted during the period 2/22/90 - 3/15/90 by Phoenix FBI. On 2/22-23/90, [REDACTED] were interviewed in Washington, DC. [REDACTED]

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[REDACTED] for U.S.A. Votes, Senator ALAN CRANSTON's partisan fund raising organization, through which CRANSTON raised \$850,000 from KEATING in 1987 and 1988. [REDACTED] advised U.S.A. Votes was established by CRANSTON to raise funds by "non-partisan", tax-exempt voter registration groups targeting specific populations (as an example, black voters) that CRANSTON expected would vote Democratic. [REDACTED] claimed little or no knowledge of CRANSTON's contacts with KEATING. [REDACTED] provided information regarding KEATING's contributions to CRANSTON's tax exempt organizations, campaigns, and affiliated political action committees. [REDACTED] said it was not unusual for CRANSTON to arrange meetings with [REDACTED] or contributors such as KEATING.

On 3/6/90, [REDACTED] was interviewed in the presence of her counsel, [REDACTED] in Washington, DC.

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[REDACTED] for Senator DE CONCINI. [REDACTED] confirmed the fact that she prepared a 3/19/87 memo for Senator DE CONCINI. Senator DE CONCINI gave her 4-8 pages of documents plus the [REDACTED] letter to summarize. The 3/19/87 memo is her summarization of these documents. [REDACTED] initially indicated DE CONCINI told her he got these documents from KEATING but later during the interview stated she did not know who provided these documents to DE CONCINI. [REDACTED] further stated there are two additional documents she prepared concerning CHARLES KEATING dated 4/1/87 and 2/87. The 4/1/87 memo is a summary of the 3/19/87 memo prepared by [REDACTED] in preparation

③-Phoenix (2-58C-PX-41605)
(1-29D-LA-102009 SUB C)
REB:rh
(3)

58C-PX-41605-47

58C-PX-41605
REB:rh

for the 4/2/87 meeting which included [] of the Federal Home Loan Bank Board and the other U.S. Senators. [] said the 2/87 memo was prepared after a meeting occurred in Senator DE CONCINI's office which he (DE CONCINI) did not attend that related to the effort of KEATING to sell LSL. The only U.S. Senator attending this meeting was CRANSTON. Staff members from Senator RIEGLE's Office along with KEATING associates participated in the meeting. [] said the end result of this meeting was to have Senator DE CONCINI call [] Federal Home Loan Bank Board regarding the proposed sale of LSL. [] stated it is her understanding DE CONCINI did, in fact, telephone []

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[] further stated prior to the 4/2/87 meeting Senators MC CAIN and DE CONCINI met to discuss whether they should, in fact, attend the 4/2/87 meeting with [] [] said the senators were concerned that [] might "misrepresent" the meeting to the press.

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[] stated [] had a reputation as a loose canon and this was of concern to the senators. MC CAIN apparently had spoken to other Republicans and they had informed MC CAIN of [] potential for irrational behavior. [] stated the only other senate staff member she had a discussion with concerning KEATING was [] in MC CAIN's office. [] received a copy of the 3/19/87 memo and she believes the memo was subsequently leaked by MC CAIN's office to the press. The press copy of this memo contained markings that [] admitted placing on the memo. [] further believes that [] may have been present in the outer office during the 4/2/87 meeting with [] and possibly the 4/9 meeting with the Federal Home Loan Bank representatives from San Francisco.

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On 3/7/90, GEORGE GOULD (former Secretary of the Treasury) said he met CHARLES KEATING on two occasions. The first occasion being a philosophical talk regarding the S&L industry. The second meeting KEATING "threw his weight around" because KEATING was aware GOULD was drafting legislation which would be supportive of [] position. KEATING told GOULD he had significant influence in the senate and could help or hinder GOULD's effort to have legislation passed. KEATING further informed GOULD that GOULD was not "in line with administration's

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REB:rh

philosophy" on deregulation. GOULD told KEATING his (KEATING's) philosophy was to run a savings and loan association as your mutual fund with the FSLIC bearing the complete and total risk. KEATING responded, in fact, that he did feel this way. KEATING informed GOULD he had attempted to hire [redacted] away from the Federal Home Loan Bank Board in an effort to "help the country". GOULD, after the second meeting with KEATING, alerted appropriate security at the Department of Treasury not to allow KEATING or his associates back in the Treasury building for meetings with any Treasury personnel. GOULD further stated that upon the conclusion of the 4/2/87 meeting between [redacted] and the senators, [redacted] informed him that the senators had attempted to influence him. [redacted] however, said it was forbidden by law for him to go into detail concerning this meeting and only informed GOULD of the meeting.

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On 3/7/90, [redacted] former member of the Federal Home Loan Bank Board stated he was confirmed when [redacted] was being considered for a member of the bank board. [redacted] said on 12/18/86 the board was considering whether to continue, change, or abolish the direct investment regulation. [redacted] was completely unfamiliar with this regulation and had requested the current regulation be extended approximately 75 days allowing [redacted] time to review. According to [redacted] there had been an understanding between [redacted] that the regulation would, in fact, be extended, however, on the day the board was to vote this issue, [redacted] presented an 11-point plan which if adopted would have directly benefited LSL and San Jacinto S&L in Texas barring them to circumvent the direct investment regulation. [redacted] stated this was completely contrary to the agreement and understanding previously reached among the board members.

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[redacted] said he had met CHARLES KEATING and other KEATING associates and no improper request or favor had been requested of him, however, he was invited by [redacted] (an attorney for KEATING) to Phoenix to review the KEATING operation.

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On 3/13-14/90 and 3/20/90, the following employees of the Office of Thrift Supervision were interviewed:

58C-PX-41605
REB:rh

[REDACTED]

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The purpose of these interviews was to address statements made by [REDACTED] before the Housing Banking Committee in December 1989. These interviews concerned the position of the Federal Home Loan Bank Board, Washington, DC in 1987 regarding LSL. At that time, the Federal Home Loan Bank Board in Washington, DC agreed with the position taken by the San Francisco District as well as its recommendations. [REDACTED]

[REDACTED] the Federal Home Loan Bank Board, the attitude and position changed to the point where the Federal Home Loan Bank Board challenged every aspect of the San Francisco's March 1986 examination of LSL. It should be noted from 1984-1986, San Francisco supervised the receivership of over 32 S&L's and was never challenged by the Federal Home Loan Bank Board.

During these interviews it was also established that from the inception of the March 1986 examination until its completion in October 1986, there was considerable dialogue, both oral and written, between the 11th District (San Francisco) and the Federal Home Loan Bank Board including specific conversations which were frequent with [REDACTED]

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[REDACTED] advised that [REDACTED]

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The interviews with employees of the San Francisco Federal Home Loan Bank (11th District) determined that examiners of the '88 and '89 exam of LSL were concerned their findings would not be made part of the official report and therefore kept separate records of the findings. These individuals are [REDACTED]

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[REDACTED] It was determined [REDACTED] received the concerns of [REDACTED] who informed him that he [REDACTED] was concerned that his exam findings would not be included in the final report.

[] instructed [] to keep a separate set of records concerning his exam findings. Concerns also surfaced from within the California Department of Savings and Loan Association. The federal examiners were not addressing the important issues of the institution in 1988 and their exam appeared to be a white wash.

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Mayor HERB DRINKWATER of Scottsdale, Arizona has been interviewed and admitted that he received campaign donations from KEATING, but they were returned. DRINKWATER stated that an associate, [] actually had the contact with KEATING and would have the details concerning the amount of monies contributed and returned. DRINKWATER did, however, say on one occasion KEATING stated "You're the only one that never took any money." However, when DRINKWATER was pressed as to whose words these were, he indicated he could not recall specifically what KEATING said, however, the statement, "You're the only one that never took any money" are his (DRINKWATER's) and the statement reflects the sentiment of the statement made by KEATING.

The potential defendants in this case are CHARLES H. KEATING, JR., [] and Senators DE CONCINI, MC CAIN, CRANSTON, RIEGLE, and GLENN. Criminal statutes are violations of:

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Title 18, U.S.C. Section,	201	Bribery
"	"	"
"	"	371 Conspiracy
"	"	2 Aiding and Abetting
"	"	1951 Hobbs Act
"	"	1505 Obstruction of Proceedings
		Before an Agency
"	"	1341 Mail fraud
"	"	1343 Fraud by Wire

The following are examples of KEATING's influence and attempted influence of the Federal Home Loan Bank Board:

a) the attempted appointment of [] to the bank board to [] 11-point plan presented to the bank board

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b) KEATING's second meeting with []

c) the "secret" file that [] described to [] which was given to him by KEATING

d) [] one-day firing

e) the appointment of [] to the bank board

58C-PX-41605
REB:rh

f) the attempted appointment of Professor [redacted]
to the bank board

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b7C

g) the transfer of supervisory authority from the 11th
District to the Federal Home Loan Bank Board

h) the July 1987 meeting between KEATING associates and
[redacted]

Additional examples are [redacted] denial of the Federal
Home Loan Bank-San Francisco's request to conduct additional
limited scope examination at LSL after he met with LSL
representatives in DC without San Francisco's presence or
knowledge of this meeting, the Memorandum of Understanding (MOU)
proposed by LSL and ultimately accepted by the Federal Home Loan
Bank Board, the 1988 and 1989 exam procedures (which are
believed to have been limited in scope) denied the benefit of the
1986 exam findings, and KEATING's attempts to have [redacted]
[redacted] of the California Department of Savings
and Loans (CDSL) fired because of their support for the March
1986 exam.

LEADS:

Interview of [redacted]

[redacted] (both of the 12th District-Seattle,
Federal Home Loan Bank), [redacted] (of the
Chicago Federal Home Loan Bank). Interview Federal Home Loan
Bank Board employees. [redacted]

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[redacted] and others and the setting of leads from the CHARLES
KEATING agenda for interviews of other political figures who met
with KEATING regarding the Federal Home Loan Bank Board.

Also, the subpoenas that have been requested of AUSA
[redacted] for service on [redacted] will be obtained and
served.

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SEARCHED.....	INDEXED.....
SERIALIZED.....	FILED.....
SEP 12 1990	
	ENIX

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United States District Court

CENTRAL DISTRICT OF CALIFORNIA

TO:

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:

☐ PERSON☒ DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE United States Courthouse 312 North Spring Street Los Angeles, California 90012	COURTROOM 1346B DATE AND TIME September 25, 1990 9:00 a.m.
---	--

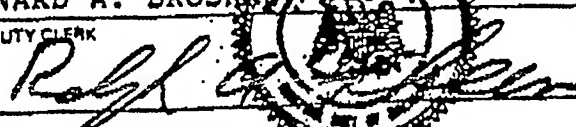
YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

For the period any and all records and documents relating

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* Please see additional

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK LEONARD A. BROSNAN	DATE September 6, 1990
BY: DEPUTY CLERK 	
This subpoena is issued on application of the United States of America LOURDES G. BAIRD United States Attorney	NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY AUSA, Stephen Mansfield Assistant United States Attorney 1300 United States Courthouse 312 North Spring Street Los Angeles, California 90012 Telephone: (213) 894-6967

* If not applicable, print:

AGENT:
 Tel. No. (714) 542-8825

NOTE: AN AGENT OF THE F.B.I. WILL DELIVER THE ABOVE-MENTIONED DOCUMENTS TO THE GRAND JURY SHOULD YOU DESIRE TO VOLUNTARILY TO SURRENDER THEM TO THE GRAND JURY IN ADVANCE OF THE GRAND JURY DATE INDICATED ABOVE.

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0

Date 10/3/90

☐ Birth ☐ Credit ☐ Criminal ☐ Death ☐ INS ☐ Marriage* ☐ Motor Vehicle ☒ Other ☐ Driver's License

<div style="background-color: black; width: 100%; height: 100%;"></div>		Buded
		File number 58C 41605
Name and al		

833-2267

Addresses	<div style="background-color: black; width: 100%; height: 100%;"></div>
Residence	
Business	
Former	

(See the old. It's not in the book, but I got it from [unclear] [unclear])

*Date and place of marriage (if applicable) 0 B

Race	Sex <input type="checkbox"/> Male <input type="checkbox"/> Female	Age	Height	Weight	Hair	Eyes
Birth date		Birthplace				
Arrest Number		Fingerprint classification			Criminal specialty	
Specific information desired					Social Security Number	

Results of check

Reg. 10-5-90. yf2
Subscriber received 10/8/90 yf2

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SEARCHED	INDEXED
SERIALIZED	FILED
OCT 11 1990	
PHOENIX	

b6
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b6
b7C

WIRE INTERCEPTION _____

By this order, we request the following:

Signature and Date

[illegible]

SEARCHED	INDEXED
SERIALIZED	FILED
OCT 18 1990	
FBI - PHOENIX	

46

AGREEMENT

The following understandings exist as to the meeting of [redacted]

[redacted], ("Client") and his attorney, Assistant United States Attorney [redacted] and Special Agents [redacted]

to be held at the office of U.S. Attorney's Office ("Office"), on

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October 10, 1990 ("the meeting"):

(1) Client will respond truthfully and completely to any and all questions or inquiries that may be put to him at the meeting;

(2) Should any prosecution be brought against Client by the United States Attorney for the Central District of California, the Government will not offer in evidence in its case-in-chief, or in connection with any sentencing proceeding for the purpose of determining an appropriate sentence, any statements made by Client at the meeting, except in a prosecution for false statements, obstruction of justice, or perjury;

(3) Notwithstanding paragraph (2) above, the Government may use (a) information derived directly or indirectly from the meeting for the purpose of obtaining and pursuing leads to other evidence, which evidence may be used in any prosecution of Client by the Government, and (b) statements made by Client at the meeting and all evidence obtained directly or indirectly from those statements for the purpose of cross-examination should Client testify, or to rebut any evidence offered by or on behalf of Client in connection with the trial and/or at sentencing, should any prosecution of Client be undertaken;

(4) This Agreement is limited to the statements made by Client at the meeting and does not apply to any statements made by Client at any other time, whether oral, written or recorded;

(5) No understandings, promises, agreements and/or conditions have been entered into with respect to the meeting other than those expressly set forth in this Agreement and none will be entered into unless in writing and signed by all parties.

Dated: Oct 10, 1990, 1990. at Los Angeles, California.

LOURDES G. BAIRD
United States Attorney for the
Central District of California

By: [redacted]
Assistant U.S. Attorney

FB/ PD4

FB/ Santa Ana

FB/ Santa Ana

58C-PX-41605-97

INDEXED	
SERIALIZED 15	FILED 96
OCT 21 1990	
FBI - PHOENIX	

13

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLASDate 9/11/90

1 FM FBI LOS ANGELES (58C-PX-41605) (SARA) (P)

2 TO DIRECTOR FBI/ROUTINE/

3 FBI WMFO/ROUTINE/

4 INFO FBI PHOENIX/ROUTINE/

5 BT

6 UNCLAS

7 CITE: //3410:0670//

8 PASS: BUREAU SSA [REDACTED] PUBLIC CORRUPTION UNIT.

9
10 SUBJECT: ALLEGATIONS CONCERNING U.S. SENATORS ALAN CRANSTON,
11 DENNIS DECONCINI, JOHN GLENN, JOHN MCCAIN, DONALD RIEGLE;
12 CHARLES H. KEATING, JR., DBA LINCOLN SAVINGS AND LOAN
13 ASSOCIATION, IRVINE, CALIFORNIA, AND AMERICAN CONTINENTAL
14 CORPORATION, PHOENIX, ARIZONA; CORRUPTION OF FEDERAL PUBLIC
15 OFFICIALS - LEGISLATIVE; OO: PHOENIX/LOS ANGELES.

16 RE SANTA ANA SA [REDACTED] TELCALL TO PUBLIC
17 CORRUPTION UNIT SSA [REDACTED] ON 9/7/90, AND SA [REDACTED] TELCALL
18 WITH WMFO SSA [REDACTED] ON 9/10/90.

19 AS DISCUSSED IN REFERENCED TELCALLS, LOS ANGELES SA'S

20 [REDACTED] AND PHOENIX SA [REDACTED]

21 JAJ/cpt
(1)Approved: LGH/jca

Transmitted _____

(Number) (Time)

Per _____

b6
b7c

PAGE TWO (58C-PX-41605)

[REDACTED] INTEND TO TRAVEL TO WMFO 9/16/90 THROUGH 9/21/90 FOR THE PURPOSE OF CONDUCTING INTERVIEWS IN CAPTIONED MATTER. INTERVIEWS ARE PLANNED OF THE FOLLOWING:

1. [REDACTED] FEDERAL HOME LOAN BANK BOARD (FHLBB), REGARDING HIS CONTACTS WITH THE SUBJECT SENATORS.
2. [REDACTED] REGARDING DECONCINI'S OFFICE'S CONTACTS WITH THE FHLBB ON BEHALF OF CHARLES KEATING.
3. [REDACTED] REGARDING HER CONTACTS WITH THE FHLBB AND KEATING.
4. UNITED STATES REPRESENTATIVE CHARLES PASHAYAN, REGARDING HIS CONTACTS WITH KEATING.
5. UNITED STATES REPRESENTATION DOUG BARNARD, JR., AND [REDACTED] REGARDING THEIR CONTACT'S WITH KEATING.
6. [REDACTED] REGARDING KEATING'S CONTACTS WITH WILSON'S OFFICE.
7. DONALD REGAN, FORMER WHITE HOUSE CHIEF OF STAFF, REGARDING SENATOR DECONCINI'S EFFORTS TO OBTAIN [REDACTED] APPOINTMENT TO THE FHLBB IN 1986.
8. [REDACTED] [REDACTED] REGARDING DECONCINI'S EFFORTS TO OBTAIN [REDACTED] APPOINTMENT TO THE FHLBB.
9. [REDACTED] (NOT YET ARRANGED), FORMER LOBBYIST FOR KEATING.

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PAGE THREE (58C-PX-41605)

10. [REDACTED] (NOT YET LOCATED), FORMER LOBBYIST FOR

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KEATING.

PER REFERENCED TELCALL, SOME ASSISTANCE OF WMFO SA [REDACTED]

[REDACTED] IS REQUESTED.

SAC, WMFO, AND SAC, LOS ANGELES, CONCUR WITH PROPOSED
TRAVEL.

BT

1 CCT6
29A A 102009

58C-PX-41605-48

SEARCHED.....	INDEXED.....
SERIALIZED <i>95</i>	FILED <i>95</i>
OCT 18 1990	
FBI — PHOENIX	

B

58CPX41605

File 58C-PX-41605 Date _____
Class. Case No. Last Serial

☐ Closed

Date Charged

48

Def in sub E

5/1/90

4C

Pls to Sub!

50

Sub in Sub C

Date _____

To _____ From _____

Initials of Clerk

Date _____

Date charged

Employee

Location

FBI

TRANSMIT VIA:

☒ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

☐ Immediate
☐ Priority
☒ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☒ UNCLAS

Date 4/13/90

FM FBI PHOENIX (58C-PX-41605) (P)

FBI HQ
TO FBI SACRAMENTO/ROUTINE/

FBI LOS ANGELES/ROUTINE/

BT

UNCLAS

CITE: //3630//

PASS: FBIHQ SSA

Public Corruption Unit
HQ, White Collar Crimes Section.

SUBJECT: ALLEGATIONS CONCERNING U.S. SENATORS ALAN CRANSTON,
DENNIS DE CONCINI, JOHN GLENN, JOHN MC CAIN, DONALD RIEGLE;
CHARLES H. KEATING, JR., DBA LINCOLN SAVINGS AND LOAN ASSOCIATION
OF CALIFORNIA (LSL) AND AMERICAN CONTINENTAL CORPORATION (ACC),
PHOENIX, ARIZONA; CORRUPTION OF FEDERAL PUBLIC OFFICIALS -
LEGISLATIVE; OO: PX IA.

FOR THE INFORMATION OF SACRAMENTO, THIS CASE ARISES FROM A
MEETING OF THE FIVE U.S. SENATORS WITH [REDACTED] ON APRIL 2,
1987, AND THEN WITH OFFICIALS FROM THE FEDERAL HOME LOAN BANK OF

REB:KF

KFX020D.103

Approved: [Signature]

Transmitted

(Number) (Time)

Per

Searched.....

Serialized.....

Indexed.....

Filed.....

MRI: 34 JULIAN DATE: 106

ISN: 1 COPIED AT: 24

FILTER FILE NAME KFX020 50. 105

OPERATOR'S INITIALS: CIB

U.S. GPO. 1987 - 181-486

58C-PX-41605-49

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^PAGE TWO PX 58C-PX-41605 UNCLAS

SAN FRANCISCO, APRIL 9, 1987. INVESTIGATION HAS SHOWN KEATING WAS A MAJOR CONTRIBUTOR TO THE SENATORS AND DURING THE MEETINGS WITH THE FEDERAL HOME LOAN BANK BOARD (FHLBB) [REDACTED] FEDERAL HOME LOAN BANK OF SAN FRANCISCO OFFICIALS, THEY QUESTIONED THESE INDIVIDUALS CONCERNING LINCOLN SAVINGS AND LOAN ASSOCIATION (LSL). [REDACTED] AND THE SAN FRANCISCO BANK OFFICIALS HAVE BEEN INTERVIEWED AND ALL CHARACTERIZE THE CONTACTS BY THE U.S. SENATORS AS UNUSUAL AND INAPPROPRIATE. THE DEPARTMENT OF JUSTICE HAS REQUESTED THE FBI TO INVESTIGATE THIS MATTER.

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INVESTIGATION THUS FAR HAS SHOWN THAT THE SENATORS, FROM REVIEW OF DOCUMENTS AVAILABLE TO THE FBI, MET FREQUENTLY WITH KEATING AND SENATORS DE CONCINI AND CRANSTON AFTER HAVING LEARNED APRIL 9, 1987 THAT A CRIMINAL REFERRAL HAD BEEN MADE REGARDING THE MANAGEMENT AND OPERATION OF LSL, CONTINUED TO CONTACT VARIOUS INDIVIDUALS CONCERNING LSL. THESE CONTACTS NOT ONLY INCLUDE OFFICIALS OF THE FHLBB IN WASHINGTON, D.C., BUT STATE OFFICIALS AS WELL.

ON APRIL 12, 1990, [REDACTED] ADVISED THAT HE LEARNED THAT SENATOR DENNIS DE CONCINI CONTACTED [REDACTED] [REDACTED] TRANSPORTATION AND HOUSING, WHICH OVERSEAS

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THE STATE DEPARTMENT OF SAVINGS AND LOAN IN CALIFORNIA. THIS CONTACT WOULD HAVE BEEN IN MARCH TO APRIL OF 1989. AT THIS TIME, [REDACTED] WAS ATTEMPTING TO PURCHASE LSL. [REDACTED] WAS LATER DETERMINED BY THE FHLBB TO BE A "FRONT MAN" FOR CHARLES KEATING. [REDACTED] SAID THAT DE CONCINI TOLD [REDACTED] THAT [REDACTED] [REDACTED] HAD SAID THAT [REDACTED] WOULD BE A PROBLEM WITH THE PROPOSED SALE. SENATOR DE CONCINI FURTHER STATED THAT LSL WOULD BE CONVERTED TO A FEDERAL SAVINGS AND LOAN, THEREFORE, CALIFORNIA WOULD HAVE NO JURISDICTION. [REDACTED] FURTHER STATED IT WAS HIS UNDERSTANDING THAT DE CONCINI EXPRESSED CONCERN THAT [REDACTED] WOULD LEAK THIS PROPOSED SALE TO THE PRESS. HE SPECIFICALLY REQUESTED THAT [REDACTED] REQUEST [REDACTED] NOT TO COMMENT ON THE SALE. [REDACTED] SAID THAT HE RECEIVED THIS INFORMATION FROM [REDACTED] HOWEVER, [REDACTED] DID NOT EXPRESS OR ISSUE ANY ORDERS TO [REDACTED] CONCERNING HIS ACTIVITIES, PUBLIC OR PRIVATE, CONCERNING THIS PROPOSED SALE.

[REDACTED] ALSO STATED THAT HE RECEIVED A TELEPHONE CALL FROM [REDACTED] TRANSPORTATION AND HOUSING AFTER [REDACTED] TELEPHONE CALL. [REDACTED] ASKED [REDACTED] SPECIFICALLY WHY THE [REDACTED] SALE WAS

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NOT GOOD AND THEN DISCUSSED THE PARTICULARS OF THE SALE IN
DETAIL. [] DOES NOT KNOW IF [] ALSO RECEIVED A
TELEPHONE CALL FROM SENATOR DE CONCINI OR HAD BEEN BRIEFED BY
[] BOTH [] AND [] HAVE A WORK ADDRESS OF
[] SACRAMENTO, CALIFORNIA.

[] BUSINESS TELEPHONE NUMBER IS [] AND
[] TELEPHONE NUMBER IS []

FOR THE INFORMATION OF SACRAMENTO, PHOENIX HAS OBTAINED THE
AGENDA OF CHARLES KEATING AND REVIEW OF THIS DOCUMENT REVEALS
THAT KEATING MET WITH [] ON FEBRUARY 9, 1988 REGARDING THE
LSL EXAMINATION. KEATING ALSO MET WITH [] ON MAY 3, 1988
AT 11:00 AND WAS ACCOMPANIED BY []

IT SHOULD BE NOTED THAT [] ALSO ADVISED THAT []
HAS PROVIDED AN AFFIDAVIT TO THE U.S. SENATE ETHICS COMMITTEE
CONCERNING THIS MATTER. [] WAS UNCLEAR AS TO WHETHER
[] HAD PROVIDED AN AFFIDAVIT OR THERE WAS A PROPOSED
INTERVIEW BY THE SENATE ETHICS COMMITTEE.

SACRAMENTO DIVISION AT SACRAMENTO, CALIFORNIA. WILL
INTERVIEW [] AND [] REGARDING THE
TELEPHONE CALL FROM U.S. SENATOR DENNIS DE CONCINI IN REGARDS TO
THE PROPOSED SALE OF LSL TO [] AND THE MEETINGS IN 1988
WITH KEATING. A COPY OF [] AFFIDAVIT SHOULD ALSO BE
OBTAINED. INTERVIEW [] REGARDING SOURCE OF HIS INFORMATION

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^PAGE FIVE PX 58C-41605 UNCLAS

CONCERNING THE SALE OF LSL AND IF HE HAS BEEN INTERVIEWED BY THE
SENATE ETHICS COMMITTEE. OBTAIN A COPY OF HIS
AFFIDAVIT. SACRAMENTO SHOULD ALSO INQUIRE THESE INDIVIDUALS IF
THEY RECEIVED ANY OTHER TELEPHONE CALLS FROM ANY PUBLIC OFFICIAL
REGARDING KEATING, HIS ASSOCIATES AND HIS BUSINESS ENTITIES.

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FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 3/21/90

TO : DIRECTOR, FBI
 (ATTN: SSA [REDACTED] PUBLIC CORRUPTION UNIT)

FROM : SAC, PHOENIX (58C-PX-41605) (P)

SUBJECT: ALLEGATIONS CONCERNING U.S. SENATORS
 ALAN CRANSTON, DENNIS D. DE CONCINI,
 JOHN GLENN, JOHN MC CAIN, DONALD RIEGLE;
 CHARLES H. KEATING, JR., dba
 LINCOLN SAVINGS AND LOAN ASSOCIATION
 OF CALIFORNIA (LSL) AND AMERICAN
 CONTINENTAL CORPORATION (ACC),
 PHOENIX, ARIZONA;
 CORRUPTION OF FEDERAL PUBLIC
 OFFICIALS-LEGISLATIVE;
 OO: PX/LA

Re Bureau tel to Phoenix dated 2/22/90 and Phoenix FD-761 and LHM dated 12/19/89.

For information of receiving offices, captioned matter addresses allegations of regulatory intervention by the above senators. KEATING and employees of his affiliated companies contributed approximately \$200,000 to the election campaigns of the five senators, as well as over \$1 million in additional funds to political action committees associated with the senators.

On 4/2/87, [REDACTED] Federal Home Loan Bank Board, [REDACTED] was summoned to the office of Senator Dennis DE CONCINI to meet alone with Senators DE CONCINI, CRANSTON, GLENN, and MC CAIN concerning issues involving a Federal Home

2-Bureau
 2-Cincinnati
 2-Los Angeles (SARA)
 1-Miami (info)
 1-Milwaukee (info)
 ②-Phoenix
 JDN:rh (17)

1-New York (info)
 1-San Francisco (info)
 1-Seattle (info)
 2-Springfield
 2-WMFO

Approved: _____

Transmitted _____

(Number) (Time)

Per _____

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58C-PX-41605
JDN:rh

Loan Bank examination of LINCOLN SAVINGS AND LOAN (LSL) conducted by the San Francisco District. The senators lobbied on behalf of LSL and attempted to obtain concessions for LSL. On 4/9/87, regulators from the Federal Home Loan Bank of San Francisco met with Senators DE CONCINI, RIEGLE, GLENN, and MC CAIN as well as a brief appearance by CRANSTON, to discuss the findings of the Federal Home Loan Bank of San Francisco's examination of LSL. Again, the senators appeared to lobby the position of LSL by questioning regulatory findings and recommendations.

Subsequent actions and inactions on the part of the Federal Home Loan Bank Board to react to the recommendations of the Federal Home Loan Bank of San Francisco's examination findings and recommendations have resulted in allegations focused upon regulatory intervention with [] and his successor, [] [] The issue was ultimately resolved by a July 1988 re-examination of LSL which disclosed numerous violations of regulatory guidelines and apparent criminal irregularities warranting the placement of LSL into conservatorship on 4/14/89. The potential loss to the insured deposit fund and the American taxpayer is reported to be approximately \$2 billion.

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Receiving offices provided with informational copies will be notified by Phoenix and Los Angeles Division's when investigation is to be conducted within their divisional boundaries and appropriate notification will be provided at that time with the necessary details.

58C-PX-41605
JDN:rh

LEADS:

CINCINNATI DIVISION

AT COLUMBUS, OHIO

During the period of late 1985 to March 1986, KEATING and his affiliated companies contributed \$200,000 to the National Council on Public Policy, a tax-exempt Political Action Committee (PAC) affiliated with Senator JOHN GLENN. Investigation has disclosed KEATING and his affiliated companies had already contributed the maximum allowable amount to registered tax-exempt PAC's for the year and therefore instructed GLENN's office the contribution should be applied to non-federal "soft money" purposes rather than federal "hard money" purposes. Senator GLENN stated the funds went to his non-federal political action committee to be used for state and local campaigns, while discussing the issue during a TV interview with DAVID BRINKLEY.

Cincinnati Division should contact the appropriate officials within the Ohio Attorney General's Office and conduct interviews concerning state reporting requirements and regulations for non-federal Political Action Committee activities as they pertain to state and local election campaigns. Once the state reporting requirements are disclosed, determine whether Senator GLENN's non-federal "soft money" Political Action Committee, which also does business under the name National Council on Public Policy, complies with all appropriate state regulations. Conduct all logical investigation necessary to disclose bank accounts, regulatory filings, and activities of said non-federal PAC which addresses state and local campaign issues under the name National Council on Public Policy. Should bank accounts be identified, notify Phoenix Division for issuance of Grand Jury Subpoenas.

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SPRINGFIELD DIVISION

AT SPRINGFIELD, ILLINOIS

Will locate and interview [redacted] of the Office of Thrift Supervision, formerly Federal Home Loan Bank, Seattle, Illinois, regarding his participation in the July 1988 examination of LSL and ACC. Issues to be addressed should be all aspects of the exam, to include but not limited to, instructions regarding the review of the 1986 Federal Home Loan Bank of San Francisco examination report and supporting work papers, the scope of the examination, discussions with other examiners, rumors of the examination being a "whitewash", reported claims that examiners were instructed to overlook certain aspects of the examination, and any other unusual circumstances surrounding the exam. It should be determined whether there was any attempt, implied or direct, to influence the examiners objectivity to critical issues. Additional issues should include the precedent for such an exam utilizing personnel from numerous districts, opinion of the 1986 San Francisco exam findings and whether their 1988 examination supported San Francisco District's findings and recommendations to the bank board, and whether a standard examination format was utilized in the 1986 San Francisco District exam and the 1988 examination in which TAYLOR participated. Finally, it should be determined if the 1988 examination differed materially from the 1986 San Francisco District examination in the areas of scope, findings, and resulting recommendations, and what the perceived underlying reasons for those difference may have been.

WASHINGTON METROPOLITAN FIELD OFFICE

AT WASHINGTON, DC

1) Will contact the Office of Public Records, Room 1036, U.S. House of Representatives, Longworth Office Building, Capitol Hill, Washington, DC and obtain a listing of all lobbyists associated with a) CHARLES H. KEATING, JR., b) AMERICAN CONTINENTAL CORPORATION, c) LINCOLN SAVINGS AND LOAN ASSOCIATION, d) FIRST LINCOLN FINANCIAL CORPORATION, e) AMCOR FUNDING CORPORATION, f) AMCOR INVESTMENTS CORPORATION, g) PHOENICIAN FINANCIAL CORPORATION, h) LINFIN CORPORATION.

2) Will also obtain from the Office of Public Records, a listing of all lobbyists of record who were hired to lobby the Federal Home Loan Bank Board, Federal Savings and Loan Insurance Company (FSLIC), Office of Thrift Supervision, as well as Senators ALAN CRANSTON, DENNIS DE CONCINI, JOHN GLENN, JOHN MC CAIN, and DONALD RIEGLE.

3) Will locate and interview [redacted] of the Association of Thrift Holding Companies, Washington, DC, concerning his contacting of [redacted] in August 1986 to offer her a job with a California "member". [redacted]

[redacted] the Agency Group, Federal Home Loan Bank, San Francisco, California, shortly before [redacted] contacted [redacted]. At the time [redacted] contacted [redacted] she was an attorney at the bank board in Washington, DC. When [redacted] learned that the California "member" was LSL, she became uneasy because of [redacted] new position as a regulator for the San Francisco District within which LSL is located. [redacted] continued to call her and she eventually had to ask [redacted] to stop calling.

WMFO should determine when [redacted] was hired to solicit [redacted] employment and who hired him for ACC/LSL. Full details concerning job duties, salary, fringe benefits, etc., which [redacted] was prepared to offer should also be obtained, as well as any instructions provided by ACC/LSL personnel pertaining to the solicitation. Further, as LSL is located in Irvine, California, with headquarters in Phoenix, Arizona, where did [redacted] propose that [redacted] work for LSL as no apparent branches are located within the San Francisco, California area.

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Due to the complex and sensitive nature of caption investigation, the following leads will be conducted by Phoenix/Los Angeles Agents with the concurrence of the appropriate SAC's. A teletype will be submitted to the appropriate Division confirming SAC concurrence regarding travel of Phoenix/Los Angeles Agents. The teletype will also provide travel itineraries for Agents and outline the scope of the investigation being conducted within that Division.

PHOENIX DIVISION

AT PHOENIX, ARIZONA

1) Will interview [redacted] *Done* Federal Election Commission, Washington, DC, concerning all political action committees associated with the five senators, as well as attempt to identify non-federal political action committee affiliations. Investigation was conducted 2/8/90 and Phoenix Division continues its record review upon receipt of documents from [redacted]

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2) Will serve Grand Jury Subpoena upon [redacted] *Done* for records relating to [redacted] Subpoena was served 2/8/90 and record review to follow upon receipt of records.

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3) Will subpoena OTS, Washington, DC, *Done* for records of Federal Home Loan Bank employees related to contacts with LSL, ACC, CHARLES H. KEATING, JR., or other affiliated companies. Subpoena was served to OTS, General Counsel, [redacted] on 2/8/90. Record review to follow upon receipt of documents.

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4) Will subpoena National Council on Public Policy *Done* for records detailing donations, disbursements, etc. Subpoena was served upon [redacted] on 2/9/90. Record review to follow upon receipt of documents.

5) Will subpoena [redacted] *Done* former Federal Home Loan Bank Board member for records related to contacts with LSL, ACC, KEATING, and other affiliated companies and members of Congress. Subpoena was forwarded to the Milwaukee Division by facsimile on 2/12/90. Record review to follow upon receipt of documents.

6) Will subpoena [redacted] *Done* former Federal Home Loan Bank Board member for records related to contacts with LSL, ACC, KEATING and his affiliated companies, as well as members of Congress. Subpoena was forwarded to New York City Division by

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facsimile on 2/12/90. Record review to follow upon receipt of documents.

7) Will review KENNETH LEVENTHAL AND COMPANY report dated 7/14/89 addressing 15 transactions of LSL from which they claimed \$135 million in profit. Will interview officials associated with the examination, to include but not limited to [redacted] who testified before the Committee on Banking regarding said transactions and the financial concerns raised by the transactions. *When did K & L start land review.*

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8) Will review original records and work papers of ARTHUR YOUNG, Certified Public Accountants, audits of LSL as scheduled for March 26, 1990. Will attempt to identify and obtain interviews of officials/personnel associated with the audit and determine what ACC/LSL expected from ARTHUR YOUNG, difference in accounting principles as they pertained to recognition of profit/loss and the conditions which led to ARTHUR YOUNG's dismissal/withdrawal from ACC/LSL audit. Will also attempt to obtain an interview with [redacted] who wrote the Senators regarding the unfairness of the Federal Home Loan Bank of San Francisco's exam of LSL and who reportedly met with Senator RIEGLE on February 26, 1987.

9) Will locate and review ACC/LSL records in the Phoenix, Arizona depository relating to business dealings between KEATING and [redacted] *(Case subpoena)*

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10) Will review ACC's pilot logs located within Phoenix Division evidence to obtain details of MC CAIN's vacations in the Bahamas and other travel at KEATING's expense. Will also attempt to identify travel by other senators utilizing ACC's corporate jets.

11) Will locate and review LSL records relating to loans made to R. A. HOLMES, a development company [redacted] [redacted] two unpaid members of DE CONCINI's campaign staff.

12) Will serve Grand Jury Subpoena provided by Santa Ana RA upon [redacted] and attempt to obtain an interview regarding [redacted]

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*WFO
Serving
Subpoena*

13) Will interview former Arizona Governor BRUCE BABBITT concerning reportedly unsuccessful attempts by KEATING to influence BABBITT in his behalf.

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JDN:rh

done
14) Will interview Scottsdale, Arizona, Mayor HERB DRINKWATER concerning reportedly unsuccessful attempts by KEATING to influence DRINKWATER in his behalf.

done
15) Will interview [redacted]
[redacted]

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AT TUCSON, ARIZONA

Interview [redacted] who has a reputation as a "traditionalist" operator of thrift institutions. It will be determined [redacted] purported duties as the new president of LSL in November 1987 as well as the circumstances surrounding his employment, short tenure, and subsequent resignation. *ref* *GO*

AT MEQUON, WISCONSIN

done
Will interview [redacted], former member of the Federal Home Loan Bank Board regarding ACC/LSL lobbying and exerting pressure upon board members to vote upon issues in a manner favorable to LSL. Also to be addressed will be details surrounding a secret file provided by KEATING to [redacted] and other board members concerning the Federal Home Loan Bank Board's 11th District in San Francisco, California.

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AT NEW YORK CITY, NEW YORK

done
1) Will interview [redacted] former Federal Home Loan Bank Board member regarding ACC/LSL lobbying and exerting pressure upon board members to vote upon issues in a manner favorable to LSL. Will also address details surrounding the investigation of [redacted] and his reported association to KEATING and his affiliated companies.

done
2) Will interview [redacted] former U.S. Treasury Department official regarding his reported comment that KEATING bragged to him about his political influence and his job offer to former Federal Home Loan Bank Board [redacted]

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AT SAN FRANCISCO, CALIFORNIA

done
Will review Federal Home Loan Bank Board, San Francisco District, 1986 examination report of LSL and available work papers dealing with critical issues and interview/re-interview San Francisco District examiners regarding issues raised by [redacted] as well as other [redacted]

58C-PX-41605
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Washington, DC supervision concerning San Francisco District's inadequate examination and lack of sufficient evidence to warrant the appointment of a conservator or a cease and desist order as recommended. Individuals to be interviewed/re-interviewed shall include but not be limited to [redacted]

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[redacted] other officials associated with the 1986 examination of LSL.

AT WASHINGTON, DC

Will interview [redacted]

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AT SEATTLE, WASHINGTON

Will locate and interview [redacted] Principal Supervisory Agent, Office of Thrift Supervision, Seattle, Washington, concerning his opposition to a proposal that LSL's supervisory district be transferred from San Francisco to Seattle, Washington. *ee*

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On 2/19/88, ACC/LSL personnel met with Federal Home Loan Bank of Seattle's supervision at the suggestion of [redacted] Acting Principal Supervisory Agent of the Office of Regulatory Activities, Federal Home Loan Bank Board, Washington, DC. [redacted] suggested that the Seattle supervision meet with LSL/ACC personnel to discuss the possibility of transferring supervision from the Federal Home Loan Bank of San Francisco to Seattle should LSL/ACC acquire an institution within the territory of the Seattle District. [redacted] has stated that after the Seattle District completed its review, the Principal Supervisory Agent contacted him to explain that Seattle District had decided to make a recommendation which would show support for a fellow district. On 3/11/88, the Federal Home Loan Bank of Seattle submitted a memorandum opposing the proposed transfer of supervision as it would set a bad precedent. Furthermore, the Federal Home Loan Bank of Seattle believed LSL was engaged in a delaying tactic to thwart regulatory action as long as possible.

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JDN:rh

Will obtain details of the LSL/ACC contacts with the Federal Home Loan Bank of Seattle prior to the meeting of 2/19/88. It will be determined what proposals and concessions LSL/ACC made to the Seattle District in an attempt to gain their support for the proposal. Should any Federal Home Loan Bank of Seattle employees have received job offers from LSL/ACC near this time period, those individuals will be identified and interviewed concerning all aspects of the job offer.

Faulstich will be interviewed concerning any outside influence being exerted upon himself or others involved in the assessment, to include Washington, DC supervision. This questioning should include the overall nature of the request by DOCHOW for Seattle District to meet with LSL/ACC officials and discuss an issue with little or no precedence and whether undue criticism of Federal Home Loan Bank, San Francisco, was conveyed by [] in an apparent effort to influence Federal Home Loan Bank, Seattle's recommendation.

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LOS ANGELES DIVISION

AT SANTA ANA, CALIFORNIA

1) Will subpoena California Democratic party for records relating to an \$85,000 contribution by AMERICAN CONTINENTAL CORPORATION (ACC) in 1986, which was reportedly spent for Senator ALAN CRANSTON's re-election effort. Record reviews should follow along with interviews of appropriate California Democratic party officials. 60

2) Will interview [redacted] Los Angeles, California, regarding circumstances of a) \$100,000 he reportedly raised for the Republican party from KEATING and his associates, b) \$172,000 he reportedly raised for California Governor GEORGE DEUKMEJIAN from KEATING and his associates, and c) lobbying to be conducted on behalf of KEATING. 60

3) Will subpoena and review records of the Center for Participation in Democracy, Los Angeles, California, The Organizing Institute, Pacific Grove, California, The Forum Institute, Washington, DC, and U.S.A. Votes (New Dimension Resources), Washington, DC. Investigative leads will be set upon the conclusion of the record reviews. done

4) Will interview appraiser [redacted] Los Altos, California, and review real property records in connection with [redacted] appraisal of property located at 215 Main Street, Los Altos, California, showing title in the name of ALAN CRANSTON. Will also interview former LSL employee [redacted] concerning the contemplation by LSL to provide a loan to CRANSTON for the Los Altos property in October 1986. Interviews have been concluded by Santa Ana RA on January 31, 1990 and February 5, 1990, respectively. done

5) Will interview [redacted] Center for Participation in Democracy Fund Raiser regarding the \$400,000 contribution to Center for Participation in Democracy made by ACC on 2/10/88. 60

6) Will interview [redacted] regarding a dinner she attended with [redacted] ALAN CRANSTON, and KEATING on 1/8/88. done

7) Will interview [redacted] regarding the \$400,000 contribution to Center for Participation in Democracy made by ACC on 2/10/88. [redacted] to Phoenix when this contribution was solicited from KEATING. 60

58C-PX-41605
JDN:rh

done
[] 8) Will subpoena relevant records in possession of []
[] a U.S.A. Votes Fundraiser. [] has already been
interviewed by Santa Ana RA.

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done
9) Will follow-up on source information that CRANSTON
may have received two unsecured loans of approximately \$200,000
each in 1988 from MERCURY SAVINGS, Los Angeles, California. No
such loans were disclosed upon CRANSTON's Senate Disclosure
Forms.

10) Will provide Phoenix Division with a Grand Jury
Subpoena for [] records regarding [] *done*

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AT PHOENIX, ARIZONA

Will review Federal Home Loan Bank records stored at
the Phoenix, Arizona Depository regarding contacts between
regulators and the United States Senators. *60*

AT WASHINGTON, DC

1) Will interview []
[] regarding services she or CRANSTON performed on behalf of
KEATING and his affiliated companies.

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2) Will interview []
[] regarding services [] his staff, or CRANSTON
performed on behalf of KEATING and his affiliated companies.

3) Will interview [] who sought CRANSTON's
assistance in obtaining Federal Home Loan Bank Board approval of
his proposed purchase of LSL from ACC in 1989.

Upon the completion of the aforementioned investigative leads, the following investigation will be conducted by Phoenix/Los Angeles Agents with the concurrence of appropriate SAC's:

a) Re-interview [redacted] Federal Home Loan Bank Board, at Miami, Florida, regarding allegations he instructed [redacted] to leak confidential information regarding ACC/LSL, allegations concerning former Speaker of the House, JIM WRIGHT, and SARATOGA SAVINGS AND LOAN, [redacted] affair wherein [redacted] allegedly acted on their behalf and [redacted] support or criticism of the San Francisco District's March 1986 examination of LSL and their recommended actions.

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b) Locate and interview [redacted] oversight and supervision of the Federal Home Loan Bank Board concerning his assessment of the San Francisco District's March 1986 examination of LSL and his support for action based upon this exam. It should also be determined whether [redacted] memorandum dated 7/23/87 recommending regulatory action against LSL led to his dismissal or resignation from the Federal Home Loan Bank Board.

c) Interview [redacted] Office of Thrift Supervision, Washington, DC, regarding her 407-Investigation of LSL concerning "file stuffing" to bolster and enhance inadequately documented loan files.

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d) Interview [redacted] Washington, [redacted] regarding [redacted] conversations with [redacted] in late 1987 or early 1988 concerning CHARLES H. KEATING, JR.'s political influence at the Federal Home Loan Bank Board in Washington, DC, and the pressure to remove the exam process away from the San Francisco District to the Washington, DC District.

e) Interview [redacted] Farm Credit Administration official, Washington, DC, who reportedly witnessed [redacted] conversation with [redacted] in late 1987 or early 1988 concerning CHARLES H. KEATING, JR.'s influence with the Washington, DC Federal Home Loan Bank Board and the effort to move the exam process from San Francisco, California to Washington, DC.

f) Interview [redacted] Office of Thrift Supervision, Washington, DC, regarding the 1988 exam of LSL. The interview should address specific differences/similarities in the findings as compared to the March 1986 examination conducted by the San Francisco District. This interview will rely heavily upon the investigative findings set forth in leads above.

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g) Interview the staff of [redacted] at the Office of Thrift Supervision, Washington, DC, directly associated with the 1988 examination of LSL to include but not limited to 1) [redacted] and other examiners including the Examiner in Charge.

h) Interview [redacted] Enforcement Regulatory Commission, Office of Thrift Supervision, Washington, DC with the detailed specifics of the San Francisco District's 1986 examination findings as compared to the Washington 1988 exam findings and address each issue she made during her 11/21/89 testimony to the committee on banking which discredited the San Francisco District exam and heaped laudatory praise upon herself despite the belated action taken against LSL.

i) Interview [redacted] Office of Thrift Supervision, Washington, DC, with detail specifics of the San Francisco District's 1986 examination findings as compared to the 1988 exam findings of LSL and address each issue he made during his 11/21/89 testimony before the Committee on Banking to discredit the San Francisco District's regulatory recommendations and justify the bank board's lack of action against LSL until 4/14/89.

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j) Interview senators and congressmen who received campaign contributions raised by CHARLES H. KEATING, JR., and his affiliated companies and those who met with KEATING in order to learn whether KEATING solicited favors from these congressmen as well. Investigation to date has disclosed these politicians include Senators WILSON, HAWKINS, MATTINGLY, and WIRTH, as well as Congressman PASHAYAN, BARNARD, and former Congressman JACK KEMP, currently serving as Secretary for Housing and Urban Development.

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k) Interview former White House Chief of Staff, DONALD REGAN regarding his knowledge of 1) KEATING pressure upon [REDACTED] and 2) KEATING's influence on the nomination of [REDACTED] and (FIRST NAME UNKNOWN) [REDACTED] to the Federal Home Loan Bank Board.

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FBI

TRANSMIT VIA:

☒ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

☐ Immediate
☐ Priority
☒ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☒ UNCLAS

Date

4/20

1 : FM FBI PHOENIX (58C-PX-41605) (P)

2 TO FBI NEWARK/ROUTINE/

3 FBI LOS ANGELES/ROUTINE/

4 BT

5 UNCLAS

6 CITE: //3630//

7
8 SUBJECT: ALLEGATIONS CONCERNING U.S. SENATORS ALAN CRANSTON,
9 DENNIS DE CONCINI, JOHN GLENN, JOHN MC CAIN, DONALD RIEGLE;
10 CHARLES H. KEATING, JR., DBA LINCOLN SAVINGS AND LOAN ASSOCIATION
11 (LSLA) OF CALIFORNIA AND AMERICAN CONTINENTAL CORPORATION (ACC),
12 PHOENIX, ARIZONA; CORRUPTION OF FEDERAL PUBLIC OFFICIALS -
13 LEGISLATIVE; OO: PHOENIX/LOS ANGELES.

14 FOR THE INFORMATION OF NEWARK, THIS CASE AROSE FROM A
15 MEETING OF FIVE U.S. SENATORS WITH

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19 REB/mbl
20 REB
21

MBH001D.110

Approved: JA/JS

Transmitted _____

(Number)

(Time)

Per _____

MRI: 1544 JULIAN DATE: 110 4/20

SN: 073 ACCEPTED AT: 1729

*U.S. GPO. 1987 - 181-486

ENTER FILE NAME MBH001D.110

OPERATOR'S INITIALS: cy

^PAGE TWO DE PX 58C-41605 UNCLAS

FEDERAL HOME LOAN BANK BOARD (FHLBB), ON APRIL 2, 1987, AND WITH SUBSEQUENT MEETINGS WITH OFFICIALS FROM THE FEDERAL HOME LOAN BANK OF SAN FRANCISCO ON APRIL 9, 1987. INVESTIGATION HAS SHOWN KEATING WAS A MAJOR CONTRIBUTOR TO THE SENATORS AND DURING THE MEETINGS WITH THE FHLBB AND THE FEDERAL HOME LOAN BANK OF SAN FRANCISCO, OFFICIALS QUESTIONED THESE INDIVIDUALS CONCERNING LSLA. [] AND THE SAN FRANCISCO BANK OFFICIALS HAVE BEEN INTERVIEWED AND ALL CHARACTERIZE THE CONTACTS BY THE U.S. SENATORS AND UNUSUAL AND INAPPROPRIATE. THE DEPARTMENT OF JUSTICE HAS REQUESTED THE FBI TO INVESTIGATE THIS MATTER.

AFTER []

[] SHORTLY AFTER []

[] THE SUPERVISORY AUTHORITY WAS REMOVED FROM THE ELEVENTH DISTRICT (SAN FRANCISCO) AND A NATIONAL EXAM TEAM WAS FORMED AND COORDINATED FROM THE FHLBB IN WASHINGTON, D.C.

INVESTIGATION HAS RECENTLY SHOWN THAT SOME OF THE NATIONAL EXAM TEAM MEMBERS VOICED CONCERN TO SUPERVISORS THAT THIS EXAM WHICH BEGAN IN JULY OF 1988 OF THE THRIFT AND THE HOLDING COMPANY

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^PAGE THREE DE PX 58C-PX-41605 UNCLAS

IN AUGUST OF 1988 WERE "WHITEWASHES".

[REDACTED] IS ONE SUCH EXAMINER THAT WAS ASSIGNED FROM THE SEATTLE DISTRICT OF THE FEDERAL HOME LOAN BANK. [REDACTED] WORKED FOR THE EXAMINER IN CHARGE OF LENDING AND REAL ESTATE INVESTMENTS, [REDACTED] WHO APPARENTLY INSTRUCTED [REDACTED] TO WRITE HER EXAMINATION IN A CERTAIN METHOD WHICH DID NOT MEET WITH AGREEMENT FROM HER. [REDACTED] APPARENTLY WROTE MEMOS EXPRESSING HER CONCERNING OVER BEING TOLD WHAT AND HOW TO EVALUATE HER FINDINGS.

[REDACTED] IS CURRENTLY INVOLVED IN EXAMINATION OF TRIDENT SAVINGS AND LOAN ASSOCIATION OF LANOKA HARBOR, NEW JERSEY, AND CAN BE REACHED AT [REDACTED]

ON APRIL 18, 1990, PHOENIX CASE AGENT CONVERSED BRIEFLY WITH [REDACTED] AND IT WAS DETERMINED HER RESIDENCE IS PORTLAND, OREGON, HOWEVER, SHE WOULD BE RETURNING TO LANOKA HARBOR, NEW JERSEY, ON APRIL 24, 1990. [REDACTED] AGREED TO BE INTERVIEWED BY THE FBI UPON HER RETURN TO NEW JERSEY. SHE FURTHER STATED SHE WOULD BRING HER PERSONAL NOTES AND MEMOS WHICH REFLECT HER CONCERN FOR THE EXAM METHODOLOGY.

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^PAGE FOUR DE PX 58C-PX-41605 UNCLAS

NEWARK DIVISION AT LANOKA HARBOR, NEW JERSEY: INTERVIEW

[REDACTED] WHO CAN BE REACHED THROUGH THE TRIDENT SAVINGS
AND LOAN ASSOCIATION, TELEPHONE NUMBER [REDACTED]

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58C-PX-416DS-51

58C-416DS

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JAN 23 1999	



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FD-36 (Rev. 8-29-85)

FBI

TRANSMIT VIA:

☒ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

☐ Immediate
☐ Priority
☒ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☒ UNCLAS

Date 2/8/91

1 FM FBI LOS ANGELES (58C-PX-41605) (SARA) (P)

2 TO FBI TAMPA/ROUTINE/

3 FBI PHOENIX/ROUTINE/

4 BT

5 UNCLAS

6 CITE: //3410:0670//

7
8 SUBJECT: ALLEGATIONS CONCERNING U.S. SENATORS ALAN CRANSTON,
9 DENNIS DECONCINI, JOHN GLENN, JOHN MCCAIN, DONALD RIEGLE;
10 CHARLES H. KEATING, JR., DBA LINCOLN SAVINGS AND LOAN
11 ASSOCIATION, IRVINE, CALIFORNIA, AND AMERICAN CONTINENTAL
12 CORPORATION, PHOENIX, ARIZONA; CORRUPTION OF FEDERAL PUBLIC
13 OFFICIALS - LEGISLATIVE; OO: PX/LA.
14

15 FOR INFORMATION OF TAMPA, THIS INVESTIGATION INVOLVES
16 WELL-PUBLICIZED ALLEGATIONS THAT CAPTIONED U.S. SENATORS
17 INTERCEDED ON SUBJECT CHARLES H. KEATING'S BEHALF WITH FEDERAL
18 HOME LOAN BANK BOARD (FHLBB) REGULATORS, IN EXCHANGE FOR

19 JAJ/cpt
20 (1)
21

58C-PX-41605-56

Approved: Lg2/jac

Transmitted _____

(Number)

(Time)

Per _____

PAGE TWO (58C-PX-41605)

CONTRIBUTIONS TO THE SENATORS' CAMPAIGNS, POLITICAL ACTION COMMITTEES, AND CRANSTON'S VOTER REGISTRATION GROUPS. THE ALLEGED INTERFERENCE WAS ON BEHALF OF TROUBLED LINCOLN SAVINGS AND LOAN ASSOCIATION (LSL), WHICH WAS ULTIMATELY PLACED IN CONSERVATORSHIP BY THE FHLBB ON 4/14/89. INVESTIGATION IS FOCUSING ON SENATOR CRANSTON, AND THE PATTERN OF SERVICES PERFORMED BY CRANSTON FOR KEATING CLOSE IN TIME TO KEATING CONTRIBUTIONS TO CRANSTON ORGANIZATIONS.

INVESTIGATION HAS REVEALED THAT CRANSTON OBTAINED AN APPROXIMATELY \$250,000 UNSECURED LINE OF CREDIT FROM LSL IN OCTOBER 1986. CRANSTON OBTAINED THE LINE OF CREDIT TO PAY FOR LAST MINUTE ADVERTISING IN HIS 1986 SENATORIAL CAMPAIGN. THESE FUNDS WERE NOT NEEDED, SO CRANSTON DID NOT DRAW ON THE LSL LINE OF CREDIT.

[REDACTED] WAS A PARALEGAL IN LSL'S LOAN DEPARTMENT IN 1986, AND SHE PROCESSED THE CRANSTON LOAN APPLICATION. [REDACTED] SUBMITTED A SHORT AFFIDAVIT TO THE SENATE ETHICS COMMITTEE IN APRIL 1990. IN HER AFFIDAVIT, SHE SAID SHE DID NOT RECALL THE SPECIFIC TERMS OF THE CRANSTON LINE OF CREDIT. [REDACTED] ALSO STATED THAT SHE ARRANGED FOR THE PERSONAL DELIVERY OF THE LOAN DOCUMENTS TO CRANSTON BY PERSONALLY FLYING FROM PHOENIX, ARIZONA, TO LOS ANGELES, CALIFORNIA, WHERE SHE MET CRANSTON, CRANSTON'S ATTORNEY, [REDACTED] AND TWO OR THREE UNNAMED CRANSTON AIDES. CRANSTON'S ATTORNEY REVIEWED THE LOAN DOCUMENTS, AND [REDACTED] DROVE WITH THE CRANSTONS AND CRANSTON'S

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PAGE THREE (58C-PX-41605)

ATTORNEY TO DOWNTOWN LOS ANGELES WHILE CRANSTON [REDACTED]
SIGNED THE DOCUMENTS.

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LEADS, TAMPA DIVISION AT PALM HARBOR, FLORIDA: INTERVIEW

[REDACTED] PALM HARBOR, FLORIDA,
34683, REGARDING HER KNOWLEDGE OF THE LSL LINE OF CREDIT TO
CRANSTON. THE INTERVIEW SHOULD INCLUDE THE FOLLOWING POINTS:
ASCERTAIN THE DATES ON WHICH [REDACTED] FIRST LEARNED OF THE
CRANSTON LOAN FILE, AND WHEN SHE MET CRANSTON AT THE LOS
ANGELES AIRPORT. WAS SHE INSTRUCTED TO EXPEDITE THE LOAN
PROCESS? WAS THE LOAN PROCESS IN FACT EXPEDITED? WAS THE
CRANSTON LOAN OTHERWISE HANDLED IN A TYPICAL MANNER? WERE
NORMAL CREDIT CHECKS, ETC., COMPLETED? WAS THIS TYPE OF
UNSECURED LINE OF CREDIT A TYPICAL LOAN OF LSL? IN HER
MEETING WITH CRANSTON AND HIS AIDES, DID ANYONE MENTION WHAT
CRANSTON HAD DONE OR WOULD DO FOR LSL? DID SHE EVER HEAR
ANYONE AT LSL COMMENT ON THE CIRCUMSTANCES SURROUNDING THE
ORIGIN OF THE CRANSTON LOAN, OR THE REASON WHY THE LINE OF
CREDIT WAS EXTENDED?

BT

Memorandum



To : SAC, PHOENIX 58C-PX-41605

Date 3/6/91

From : SAA [redacted]

Subject: DONALD RIEGLE ET AL
PUBLIC CORRUPTION-LEGISLATIVE
(00:PX)

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On 3/6/91 [redacted] telephonically contacted SAA [redacted] to state that CID of IRS, Detroit, Michigan has opened an information gathering assignment to which he is assigned out of the Pontiac, Michigan CID office. [redacted] advised he would be open to any exchange of information or join a criminal investigation if any foundation for IRS criminal involvement existed. [redacted] furnished his telephone number as [redacted] He furnished the CID Chief's name as [redacted] and his telephone number as [redacted] [redacted] identified [redacted] as approving his assignment regarding [redacted] was advised the information would be passed on to the FBI agents working the matter and they would contact him if IRS CID was needed or if information of a tax nature was available for dissemination.

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(1)
IJF/jf

3/14/91

[redacted] would want any info that may
Come from [redacted] for (if he roles) about \$ to

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[redacted]

REJ

58C-PX-41605-58

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SERIALIZED	FILED
MAR 6 1991	
FBI - PHOENIX	

FBI FACSIMILE
COVERSHEET

CLASSIFICATION

PRECEDENCE

☐ Immediate☐ Priority☒ Routine☐ Top Secret☐ Secret☐ Confidential☐ Sensitive☒ Unclassified

Time Transmitted

Sender's Initials

Number of Pages

10

To: FBI PhoenixDate 3/21/91Facsimile number (602) 279-5511

Attn

Name

Tel. No.

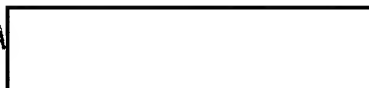
From: FBI Los Angeles

Subject: Allegations Concerning U.S. Senators Alan Cranston,
Et Al; Corruption of Public Officials - Legislative;
OO: Phoenix / Los Angeles.

Special Handling Instructions

Originator's Name

SA



Telephone (714) 542-8825

b6
b7COriginator's Facsimile Number (714) 542-8825

Approved

L. J. / Jk.Teletype58C-PX-41605-59
Searched

Serialized by

Initialed

Filed

(Rev. 8-29-85)

FBI

TRANSMIT VIA:

☒ Teletype
☒ Facsimile
☐ _____

PRECEDENCE:

☐ Immediate
☐ Priority
☒ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☒ UNCLAS

Date 3/21/91

1 FM FBI LOS ANGELES (58C-PX-41605) (SARA-3) (P)

2 TO DIRECTOR FBI/ROUTINE/

3 FBI PHOENIX (58C-PX-41605)/ROUTINE/

4 BT

5 UNCLAS

6 PASS: PUBLIC CORRUPTION UNIT, SSA

7
8 SUBJECT: ALLEGATIONS CONCERNING U.S. SENATORS ALAN CRANSTON,
9 ET AL; CHARLES H. KEATING, JR., DBA LINCOLN SAVINGS AND LOAN
10 ASSOCIATION, AMERICAN CONTINENTAL CORPORATION; CORRUPTION OF
11 PUBLIC OFFICIALS - LEGISLATIVE; OO: PHOENIX/LOS ANGELES.
12

13 RE PHOENIX TELETYPE TO BUREAU DATED 3/7/91.

14 AUSA LOS ANGELES UNITED STATES

15 ATTORNEY'S OFFICE, HAS DECIDED THAT IT IS NO LONGER NECESSARY
16 THAT THE INVESTIGATING AGENTS RECUSE THEMSELVES FROM ANY
17
18

19 JAJ/clm
20
21Approved: LST/jc

Transmitted _____

(Number) (Time)

Per _____

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b7C

Sent 3/21/91 at 3:00 pm

SENATE ETHICS COMMITTEE TESTIMONY FOLLOWING THE GRANT OF IMMUNITY TO [REDACTED] [REDACTED] DECISION WAS BASED ON THE LACK OF EVIDENCE TO CHARGE [REDACTED] WITH ANY CRIMINAL VIOLATION. THUS, ADDITIONAL SENATE ETHICS COMMITTEE TRANSCRIPTS AND DOCUMENTATION ARE AVAILABLE FOR REVIEW BY THE INVESTIGATING AGENTS.

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HOMEFED BANK, SAN DIEGO, CALIFORNIA, HAS RESPONDED TO A SUBPOENA DIRECTED TO HOMEFED FOR ANY RECORDS RELATING TO TRANSACTIONS WITH CRANSTON'S AIDE [REDACTED] THIS SUBPOENA WAS PROMPTED BY INFORMATION DEVELOPED BY AUSA [REDACTED] THAT [REDACTED] MAY HAVE HAD AN UNDISCLOSED FINANCIAL RELATIONSHIP WITH HOMEFED BANK. HOMEFED BANK REPORTED THAT IT HAS NO RECORD OF ANY TRANSACTION WITH [REDACTED] FOR THE PERIOD 1985 TO THE PRESENT.

A LEAD HAS BEEN SENT TO WMFO TO OBTAIN FINANCIAL REPORTS OF THE COMMITTEE FOR A DEMOCRATIC CONSENSUS (CDC) FILED WITH THE FEDERAL ELECTION COMMISSION. CDC IS A POLITICAL ACTION COMMITTEE AFFILIATED WITH CRANSTON. CRANSTON'S FUND RAISER [REDACTED] ALSO RAISED FUNDS FOR CDC. CDC RECORDS ARE BEING OBTAINED TO DETERMINE WHETHER CDC WAS USED AS A CONDUIT TO CIRCUMVENT FEDERAL ELECTION LIMITATIONS ON POLITICAL CONTRIBUTIONS. [REDACTED] CRANSTON'S 1986

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CAMPAIGN FINANCE CHAIR FOR SOUTHERN CALIFORNIA AND A SUBJECT OF A LOS ANGELES 29 INVESTIGATION INVOLVING FAILED FINANCIAL INSTITUTION FIRST NETWORK, HAS ADVISED THAT HE COLLUDED WITH

[REDACTED] TO TRANSFER \$4,000 FROM CDC TO CRANSTON'S PRESIDENTIAL CAMPAIGN THROUGH [REDACTED] POLITICAL ACTION COMMITTEE. LINCOLN SAVINGS' OUTSIDE ATTORNEY [REDACTED] HAS ADVISED THAT IN 1989, HE CONTRIBUTED \$1,000 TO CDC AT THE REQUEST OF DELAWARE SENATORIAL CANDIDATE SAM BEARD. [REDACTED] HAD CONTRIBUTED \$2,000 TO BEARD'S CAMPAIGN, BUT BEARD LOST IN THE PRIMARY, SO HAD TO REFUND \$1,000 TO [REDACTED] BEARD THEN SUGGESTED THAT THE REFUNDED \$1,000 BE CONTRIBUTED TO CDC.

FORMER LINCOLN SAVINGS LOAN DEPARTMENT PARALEGAL

[REDACTED] WAS INTERVIEWED BY THE TAMPA DIVISION. [REDACTED] PREPARED THE LOAN DOCUMENTS FOR THE LINE OF CREDIT EXTENDED BY LINCOLN TO CRANSTON IN THE FALL OF 1986. [REDACTED] ALSO TRAVELED TO LOS ANGELES AND MET WITH CRANSTON TO HAVE THE LOAN DOCUMENTS SIGNED. [REDACTED] SAID SHE WAS INSTRUCTED TO NOT SHOW ON HER VOUCHER OR EXPENSE REPORT THE PURPOSE OF HER TRIP TO LOS ANGELES TO HAVE CRANSTON SIGN THE LOAN DOCUMENTS. [REDACTED] SAID SHE WAS NOT TO MAKE ANY REFERENCE TO CRANSTON ON ANY OF HER PAPERWORK, AND WAS TO MERELY IDENTIFY IT AS AIR TRANSPORTATION TO LOS ANGELES CONCERNING A POTENTIAL LOAN.

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[] STATED THAT THE CRANSTON LINE OF CREDIT RECEIVED SPECIAL ATTENTION BECAUSE CRANSTON WAS INVOLVED. SHE SAID THE LOAN WAS PROCESSED QUICKER THAN ANY OTHER LOAN THAT SHE HAD BEEN INVOLVED WITH. SHE SAID LINCOLN WAS OVERLY ACCOMMODATING, CITING HER FLIGHT TO LOS ANGELES TO HAVE THE PAPERWORK SIGNED. [] EXPLAINED THAT ORIGINALLY THE LINE OF CREDIT WAS TO BE SECURED BY REAL PROPERTY, BUT THAT SOMETIME DURING THE APPROXIMATELY TWO WEEK PERIOD THAT THE LOAN WAS PROCESSED, IT WAS DETERMINED THAT THE LINE OF CREDIT WOULD BE UNSECURED, PROBABLY BECAUSE OF THE URGENCY.

A MEETING WITH THE LOS ANGELES U.S. ATTORNEY'S OFFICE IS ANTICIPATED WITHIN THE NEXT TWO OR THREE WEEKS FOR THE PURPOSE OF AGREEING ON THE DIRECTION OF FURTHER INVESTIGATION OF THIS MATTER. IN PREPARATION FOR THIS MEETING, LOS ANGELES AND PHOENIX AGENTS ARE ORGANIZING AND SUMMARIZING THE EVIDENCE OBTAINED TO DATE. THE U.S. ATTORNEY'S OFFICE HAS INDICATED TENTATIVELY THAT THE INVESTIGATION SHOULD FOCUS ON CRANSTON, AND THAT PROSECUTIONS OF SENATORS MCCAIN AND GLENN ARE LIKELY TO BE DECLINED. THE U.S. ATTORNEY'S OFFICE ALSO INTENDS TO CONSIDER DECLINING PROSECUTIONS OF SENATORS DECONCINI AND

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RIEGLE FOR LACK OF EVIDENCE THAT A VIOLATION HAS OCCURRED. IT
IS EXPECTED THAT THE INVESTIGATION OF CRANSTON WILL CONTINUE.
BT

FBI

TRANSMIT VIA:

☒ Teletype
☐ Facsimile
☐ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☒ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☒ UNCLAS

Date 4/5/91

FM FBI PHOENIX (58C-PX-41605) (P)

TO DIRECTOR FBI/ROUTINE/

FBI LOS ANGELES (SARA)/ROUTINE/

BT

UNCLAS

CITE: //3630:0004//

PASS: FBIHQ, PUBLIC CORRUPTION UNIT, SSA SANTAANA RA, SA b6
b7c

SUBJECT: ALLEGATIONS CONCERNING U.S. SENATORS ALAN CRANSTON,
 ET AL; CHARLES H. KEATING, JR., DBA LINCOLN SAVINGS AND LOAN
 ASSOCIATION, AMERICAN CONTINENTAL CORPORATION; CORRUPTION OF
 PUBLIC OFFICIALS-LEGISLATIVE; OO: PX/LA.

RE LOS ANGELES TEL TO THE BUREAU, 3/21/91.

THE FOLLOWING INVESTIGATION HAS BEEN CONDUCTED BY THE FBI
 SINCE REFERENCED TELETYPE AS FOLLOWS: THE FEDERAL ELECTION
 COMMISSION (FEC) HAS PROVIDED DISCLOSURE FORMS WITH RECEIPTS

REB/uh

58C-PX-41605-60
SearchedSerialized...*cg*...Indexed.....*✓*...Approved: *JPM/v*Original filename: *RVH001W.095*Time Received: *2021*Telprep filename: *RXH001SD.095*MRI/JULIAN DATE: *183/095*ISN: *108*FOX DATE & TIME OF ACCEPTANCE: *2026*

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 5/7/91

TO : SAC, LOS ANGELES
 FROM : SAC, PHOENIX (58C-PX-41605) (P)
 SUBJECT : ALLEGATIONS CONCERNING U.S. SENATORS
 ALAN CRANSTON, ET AL;
 CHARLES H. KEATING, JR., DBA
 LINCOLN SAVINGS AND LOAN ASSOCIATION,
 CALIFORNIA AND AMERICAN CONTINENTAL
 CORPORATION, PHOENIX ARIZONA;
 CORRUPT PUBLIC OFFICIALS- LEGISLATIVE;
 OO:PX

Enclosed under separate cover to Santa Ana R.A.
 Attention: SA [] is evidence that was reviewed by SA
 [] and has been requested to be sent to Santa Ana.

Items of evidence is marked as follows: 1B(25),
 (27), (34), (44), (45), (46), (47), (50), (51), (59) item R-1,
 R-2, R-4, 1B(62) item 1, 3, and 4, 1B(65) item 6, 9, and 14.

3 - Los Angeles (1 package copy)
 (ATTN SA Jaech)

② - Phoenix
 JDN/skl
 (5) *[Signature]*

*Marked 5/7/91
 R461452032*

58C-PX-41605-61

Searched.....

Serialized *gr*....

Indexed.....

Filed..... *4/*....

Approved: _____ Transmitted _____ Per _____
 (Number) (Time)

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 b7c



U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No. 58C-PX-41605

11000 Wilshire Boulevard #1700
Los Angeles, CA 90024
May 8, 1991

[Redacted]
Public Records Office
Federal Election Commission
999 E Street, Northwest
Washington, D.C. 20463

Dear [Redacted]

This confirms a telephone conversation between Special Agent (SA) [Redacted] of our office and [Redacted] of your office on May 7, 1991, in which the following was discussed:

For investigative purposes, we request copies of records showing receipts and expenditures for the following organizations: (1) Cranston for President Committee for the years 1986 through 1990; (2) Cranston Super Celebration Inc. (connected to the Committee for a Democratic Consensus) for the years 1986 through 1990; (3) Friends of Sam Beard (C00214510) for the years 1989 and 1990; and (4) Pacific Pac (C00199851) for the years 1987 through 1990.

Our understanding is that these records will be provided without any cost to the Federal Bureau of Investigation (FBI). Please mail the copies to: Federal Bureau of Investigation, 901 West Civic Center Drive, Suite 400, Santa Ana, California, 92703, Attention: Jeffrey Jaech.

Thank you for your assistance.

Sincerely yours,

LAWRENCE G. LAWLER
Special Agent in Charge

BY: [Redacted]

Supervisory Special Agent

- 1 - Addressee
- ✓ 1 - Phoenix
- 1 - Los Angeles (58C-PX-41605).
(SARA) (P)

JAJ/cpt
(3)

*

MAY 17 1991

58C-PX-41605-02

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JUN 06 1991	
FBI - PHOENIX	

OLWINE, CONNELLY, CHASE, O'DONNELL & WEYHER

SUITE 1000

1701 PENNSYLVANIA AVENUE, N.W.

WASHINGTON, D.C. 20006

TELEPHONE : (202) 835-0500

FACSIMILE: (202) 835-1591

750 SEVENTH AVENUE
NEW YORK, N.Y. 10019
(212) 261-8000

220 SUNRISE AVENUE
PALM BEACH, FL. 33480
(407) 833-8722

June 3, 1991

BY FEDERAL EXPRESS

Re: Senator Dennis DeConcini

Dear [REDACTED]

This letter responds to your request for information about charitable contributions made by Charles Keating, American Continental Corporation or Lincoln Savings and Loan at the request of [REDACTED]
[REDACTED]

It appears that [REDACTED] requested a charitable contribution from Mr. Keating on only two occasions. The first occurred in November 1985 and concerned the Phoenix Memorial Hospital Intergenerational Child Care Center, later known as "Young Company."

At the request of [REDACTED] the Phoenix Memorial Hospital Foundation, [REDACTED] participated in a joint effort to raise funds to open the Intergenerational Child Care Center on the hospital campus. [REDACTED]

[REDACTED] contacted approximately fifteen businesses in the Phoenix area to solicit large donations for the Center. [REDACTED] [REDACTED] has long been interested in child care issues and she considered the proposed Center unique because persons over 55 years of age would be employed as part-time care givers.

In November 1985 [REDACTED] visited Mr. Keating to request a donation from American Continental Corporation. They approached Mr. Keating because, according to [REDACTED] he was a previous donor to the Hospital. [REDACTED] recollection is that Mr. Keating pledged a large amount -- probably in the range of \$50,000, but possibly a greater sum to be paid over several years. Because [REDACTED] and the Foundation handled all administrative matters, [REDACTED] does not know whether American Continental Corporation in fact paid the promised amount, but she assumes it did because she has not heard otherwise. This was the only occasion on which [REDACTED]

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[redacted]
June 3, 1991
Page 2

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[redacted] personally visited Mr. Keating to ask for a charitable contribution.

[redacted] second and only other contact with Mr. Keating concerning charitable contributions was by telephone. In 1987 or 1988 at the request of the Seton Catholic High School in Chandler, Arizona, [redacted] telephoned Mr. Keating about contributing a large amount for a new gymnasium. [redacted] called Mr. Keating because she was told by high school officials that Mr. Keating previously had promised the school that he would build a gymnasium for it. However, Mr. Keating told [redacted] he would not be able to contribute because money was unavailable.

The attached testimony of [redacted] before the Senate Ethics Committee suggests that, on more than one occasion, [redacted] successfully requested a charitable contribution from Mr. Keating. As the above discussion shows, that is not so. The Phoenix Memorial Hospital Intergeneration Child Care Center contribution is the only one Mr. Keating made at [redacted] behest.

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Please note that for many years -- and long before Senator DeConcini ran for office -- [redacted] has been an active fundraiser for charities that interest her. The following is a sample of the various organizations she has assisted in this fashion:

- US Senate Employees' Child Care Center: 1985-88
- The Catholic University of America, Washington, D.C.: 1985-87
- The Junior League of Tucson, Arizona, Inc.: 1960-1976
- The United Way of Tucson, Arizona: 1961-1964
- The Freedom from Hunger Foundation in Tucson, Arizona and Davis, California: 1982-89
- Kino School, Tucson, Arizona: 1975-90

[redacted]
June 3, 1991
Page 3

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- "Young Company", an intergenerational child care center at Phoenix Memorial Hospital: 1985-86
- St. Mary's High School, Phoenix, Arizona: 1989-90
- The Brewster Home for unwed mothers, Tucson, Arizona: 1963-68
- Garden Park Enterprises for the mentally handicapped, Phoenix, Arizona: 1989-90
- The Volunteer Bureau, Tucson, Arizona: 1968-69

As this list demonstrates, [redacted] two approaches to Mr. Keating were not in any way unusual or out of character.

I trust that the above answers your questions.

Sincerely,

[redacted]

[redacted]
Federal Bureau of Investigation
201 East Indianola
Suite 400
Phoenix, Arizona 85012

Enclosure

VRG05113

HEARING OF THE SENATE SELECT ETHICS COMMITTEE

(see pp. 67-68)

SUBJECT: "KEATING FIVE" INVESTIGATION

CHAIRMAN BY: SENATOR HOWELL HEFLIN (D-AL)

WITNESS:

JAMES GROGAN,
LOBBYIST FOR CHARLES KEATING AND
FORMER VICE PRESIDENT,
AMERICAN CONTINENTAL CORPORATION

216 HART SENATE OFFICE BUILDING

P.M. SESSION

FRIDAY, DECEMBER 14, 1990

SEN. HEFLIN: Come to order. We apologize for the lateness in getting started, but we've been endeavoring to work out schedules, and it's quite a problem. So we'll get started. Now, I would anticipate that we will be in session tomorrow, and I just alert everybody in regards to that.

Mr. Bennett, proceed.

SEN. RUDMAN: Mr. Chairman, I just thought I might just ask Mr. Bennett just for the defense counsel and their planning purposes and just curious myself, is it Mr. Bennett's feeling that he will finish direct today?

MR. BENNETT: Yes. Oh, yes.

SEN. RUDMAN: So that tomorrow would be for cross, and we might well get it done conceivably earlier than a normal day -- possibly? I won't ask for a comment. I'm just making a speculation.

SEN. HEFLIN: In the form of a suggestion.

MR. TAYLOR: How is between 5:00 and 7:00 p.m., Mr. Vice Chairman? (Laughter.)

SEN. RUDMAN: The Chairman was advising was a speculation in the form of suggestion.

MR. TAYLOR: I was only suggesting that Mr. Bennett might --

SEN. RUDMAN: Right.

MR. BENNETT: (Off mike.) Would you locate the Special Counsel Exhibit 98, please? (Attaches microphone to tie.) What do you know about a fundraising event request for Senator Riegle to be sponsored by Mr. Keating or Lincoln?

MR. GROGAN: I recall a conversation I had with Jo Vincent.

MR. BENNETT: Who is Jo Vincent/

MR. BENNETT: At any time did Senator McCain communicate to you or to Mr. Keating that Senator DeConcini had asked him to do anything which he, Senator McCain, thought was improper?

MR. GROGAN: No. I never recall Senator McCain mentioning that to me, and I believe that I would recall it had that been an issue. I do not recall that being an issue because had that been raised that there was a conflict between Senator McCain and Senator DeConcini about the meeting, that's something -- that would have been my responsibility to work on that conflict, and I just do not have any memory of that being an issue.

MR. BENNETT: Did you or Mr. Keating or anybody else at Lincoln ever request Senator DeConcini to fly to San Francisco to see the regulators?

MR. GROGAN: No, sir.

MR. BENNETT: What knowledge do you have, if any, regarding Mrs. McCain's investment in an entity called Fountain Square?

MR. GROGAN: I have no personal knowledge. Fountain Square was a limited partnership that our company presented to investors. I do know that people in the company have told me that it maybe was financially the best economic deal that we had --

MR. BENNETT: Well that doesn't matter.

MR. GROGAN: -- and that she and her family invested in that deal in an arms-length transaction that had nothing to do with Senator McCain.

MR. BENNETT: Who in her family are we talking about?

MR. GROGAN: I believe it was her father.

MR. BENNETT: Let me ask you this as my final -- my final questions. You've testified at length about contributions of hard, soft, whatever.

MR. GROGAN: Yes, sir.

MR. BENNETT: Do you know if any of the senators under inquiry, any of the five senators under inquiry, have any -- and you've talked about Senator Cranston and that line of credit -- other than those, do you know of any transactions, agreements, financial relationships between any of the senators and Lincoln or ACC or any of their subsidiaries or wholly-owned subsidiaries or partially-owned subsidiaries or you or Mr. Keating called them?

MR. GROGAN: I know of none, and I believe there are none.

MR. BENNETT: What about as to staffs of these senators, to your knowledge?

MR. GROGAN: I know of none, and I believe there are none.

MR. BENNETT: Did any members of any of these senators'

families ever solicit from you or Mr. Keating or Lincoln any contributions of any kind?

MR. GROGAN: I know that Mrs. DeConcini is very active in the community in Arizona and volunteers on a variety of charitable organizations and at times she solicited charitable contributions from Mr. Keating, and I know that Kim (?) Cranston was very active in the voter registration efforts. I don't have a specific recollection of him specifically asking Mr. Keating for money, but I was at meetings where he discussed the voter registration and pitched, if you will, how important he felt it was.

MR. BENNETT: As to Mrs. DeConcini, when she would ask for these contributions for various charities, would Mr. Keating agree to contribute?

MR. GROGAN: Mr. Keating would know if he said yes or no, but I do believe that we did contribute at times. I have no knowledge that it was ever related in any way to anything to deal with Senator DeConcini.

MR. BENNETT: But contributions were asked for and honored?

MR. GROGAN: That's correct.

MR. BENNETT: And what about the Kim Cranston situation? Are you talking about ones other than what you've already --

MR. GROGAN: No, sir.

MR. BENNETT: Okay. That's all I have, Senators.

SEN. HEFLIN: All right, sir, we'll stand in recess --

MR. : Mr. Chairman --

MR. : Mr. Chairman --

MR. BENNETT: I must have made a mistake.

MR. : Senator Helms.

SEN. HELMS: Mr. Chairman, pursuant to a letter that I wrote to you and the distinguished Vice Chairman about three weeks ago -- I'm not going to be able to be here tomorrow. I consented for the committee to meet, and I believe that arrangements have been to Federal Express me perhaps a tape or certainly a transcript, is that correct?

MR. : Both, if you'd like.

SEN. HELMS: Which I will review, and then we will decide about the future meetings this year of the committee, if any.

Let me say to Mr. Grogan that I've heard a lot of witnesses, but -- and you may have felt that I was stepping on you a little bit during your testimony, both yesterday and today --

Memorandum



To : SAC, PHOENIX (58C-PX-41605) (P)

Date 7/3/91

From : SA [REDACTED]

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Subject: ALLEGATIONS CONCERNING UNITED STATES
SENATORS ALAN CRANSTON, ET AL;
CORRUPTION OF PUBLIC OFFICIALS -
LEGISLATIVE;
OO: PHOENIX
OO: LOS ANGELES

DENNIS DE CONCINI was first elected to the Senate in November of 1977. He ran successfully for re-election in November of 1982. DE CONCINI states in his deposition of 3/14/90, before the SENATE SELECT COMMITTEE ON ETHICS, page 12, line 11, that KEATING contributed money to his campaign and used his home for a fund raiser. KEATING AND ASSOCIATES raised \$31,000.00 for DE CONCINI's 1982 campaign. KEATING or [REDACTED] approached DE CONCINI regarding the direct investment issue in 1984, after which DE CONCINI wrote a letter to Senator CRANSTON at the request of AMERICAN CONTINENTAL CORPORATION (ACC). DE CONCINI introduced an amendment in September of 1984 regarding direct investment; however, the amendment was never brought up. It should be noted that KEATING bought LINCOLN SAVINGS AND LOAN (LSL) in February of 1984.

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DE CONCINI, in July of 1985, met with KEATING and [REDACTED] DE CONCINI, in his deposition, does not recall [REDACTED] being present, but his office records show that he was there. DE CONCINI testifies in his deposition before the SENATE SELECT COMMITTEE ON ETHICS, that the issue was direct investments. In July of 1985 DE CONCINI, at the request of KEATING, also wrote a letter to [REDACTED] the FEDERAL HOME LOAN BANK BOARD (FHLBB) regarding the direct investment issue. During the same time frame, KEATING and [REDACTED] also request DE CONCINI contact Senator JAKE GARN. GARN's affidavit dated 11/30/90, documents the DE CONCINI contact regarding direct investment, but does not recall any information that would have linked the telephone call to KEATING or LSL. GARN does not recall if DE CONCINI asked him to contact [REDACTED] (GARN was in full support of [REDACTED] and his policies).

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During the period 7/31/85 to 8/15/85, KEATING AND ASSOCIATES contributed \$16,000.00 to DE CONCINI.

In 1985, DE CONCINI states in his deposition that he contacted DON REGAN and [] regarding the incompetence of the FHLBB, and particularly []. The exact date is not established by the FBI investigation or by DE CONCINI's recollection in his deposition. DE CONCINI does not state that calls to REGAN and [] were at the direct request of KEATING. REGAN, during interview with the FBI, does not fix the date or the context of the contact by DE CONCINI.

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On 6/6/86, DE CONCINI writes a letter to DON REGAN, which is in support of [] for the nomination as a member of the FHLBB (bates #D000647, and follow up documents regarding [] are bates #000648 and #000649). It should be noted that bates #000649 is a document which appears to be supplied to DE CONCINI by KEATING, which states reasons to support [] and contains a biographical sketch of him.

On 7/23/86, DE CONCINI pairs his vote with Senator GOLDWATER, after KEATING lobbied him to support Judge DAN MANION in order that the White House would support []

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On 8/20/86, KEATING AND ASSOCIATES contributed \$10,000.00 to DE CONCINI.

From 8/20/86 until 3/3/87, when DE CONCINI dines with [] there are frequent meetings between DE CONCINI, KEATING and [] however, there is no evidence that DE CONCINI acted in any official capacity on behalf of KEATING during this time period.

On 3/3/87, [] gives DE CONCINI \$9,750.00 in checks, political contributions collected in Arizona for contribution to Senator DON RIEGLE. The checks are conveyed to Senator DE CONCINI by a letter which identifies the contributors as employees of ACC and affiliated companies. It should be noted that [] in his 10/26/90 deposition, page 47, line 5, discusses in detail his campaign activities on behalf of RIEGLE in Arizona. DE CONCINI's deposition, page 44, line 11, also discusses the RIEGLE collection agreement, and on page 45, line 19, DE CONCINI says he "handed those checks to RIEGLE". On 3/18/87, Senators DE CONCINI and RIEGLE meet regarding LSL, and

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at this time, RIEGLE suggests a meeting with [] DE CONCINI also states in his deposition that KEATING, during this time frame, also suggested the meeting. On 3/19/87, Senators DE CONCINI and MC CAIN met to discuss the LSL situation. Also present at this meeting was DE CONCINI staffer, []

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On 3/19/87, [] writes a memo to DE CONCINI in which she states what ACC wants from [] and what ACC is willing to do (bates #D00661).

On 3/24/87, KEATING and [] meet with DE CONCINI, and the discussion concerns the [] vendetta lawsuits and LSL issues. KEATING, at this time, is informed by DE CONCINI that a meeting with [] was being set up (DE CONCINI deposition page 79, line 3).

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On 4/1/87, [] writes a memo to DE CONCINI stating what ACC would like and will do (bates #D00063). On 4/2/87, the meeting of the Senators with [] (DE CONCINI in his deposition believes, but does not have specific recollection, that he called KEATING after the 4/2/87 meeting concluded).

On 4/3/87, [] calls DE CONCINI regarding the meeting with the FEDERAL HOME LOAN BANK (FHLB) of San Francisco people.

On 4/9/87, a meeting is held with the FHLB of San Francisco employees and "KEATING 5".

On 4/9/87, DE CONCINI, in his deposition, states that he called KEATING after the 4/9/87 meeting; however, he does not mention the criminal referrals to KEATING.

Following the 4/9/87 meeting, DE CONCINI has no official activity on behalf of KEATING. There are, however, final contributions of ~~\$5,000.00~~ on 10/29/87, from [] in the amount of \$5,000.00.

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On 9/24/87, KEATING meets with DE CONCINI at his office. On page 213, line 16 of DE CONCINI's deposition, he recalls the meeting; however, he does not recall the details of the meeting, however, he is certain that he does not discuss "the criminality" or "any great details of the meeting that we had with the regulators".

On 11/8/88, DE CONCINI is re-elected to the Senate. In December of 1988, DE CONCINI receives a call from KEATING regarding the sale of LSL (page 216, line 12 and page 217, line 6). KEATING asked DE CONCINI to call [] to delay the audit

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report publication so not to jeopardize the potential sale. KEATING further urges DE CONCINI to ask WALL to approve the sale.

In January of 1989, DE CONCINI calls [] and discusses the sale of LSL (page 218, line 9). DE CONCINI's recollection (page 223, line 5) is that he believes he also discussed the ROUSSELOT sale in January of 1989. DE CONCINI recalls KEATING, [] and EARL KATZ calling him regarding the ROUSSELOT sale.

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In January of 1989, DE CONCINI also calls [] a member of the FHLBB (page 226, line 5). During interview with the FBI, [] believes that the call from DE CONCINI was in late March or early April, 1989. DE CONCINI, in his deposition, page 233, line 16, states that he discussed the LSL sale with Senator CRANSTON prior to calling []. DE CONCINI further states on page 238, line 20 that he talked to KEATING before the [] call and, in fact, a call was also suggested by KEATING.

On 4/7/89, DE CONCINI received a return telephone call from [] and during this call, DE CONCINI raises the issue of the LSL sale. [] recollection during his interview of 9/21/91 with the FBI states that DE CONCINI called him on 4/11/89, and asked [] to "promptly consider the pending sale of LSL." (DE CONCINI discusses his call with [] on page 245, line 17, as well as his discussion with KEATING).

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During April of 1989, DE CONCINI calls [] BUSINESS, TRANSPORTATION AND HOUSING AGENCY, State of California, regarding his belief that California was in a position to stop the sale of LSL to the ROUSSELOT group. [] was interviewed on May 5, 1990, by the FBI; however, he could not fix the date of this call in April. DE CONCINI's deposition on page 239, line 20, is that he only asked [] "if he objected to the sale". On page 245, line 4, DE CONCINI discusses his call with [] with KEATING.

On 4/14/89, [] makes a courtesy call to DE CONCINI to inform him that the FHLBB has seized LSL.

On 9/19/89, DE CONCINI states that he will return \$48,000.00 contributed to him by KEATING AND ASSOCIATES. (The actual amount was \$47,100.00, bates #D001162).

The things of value received by DE CONCINI from KEATING AND ASSOCIATES obviously were the campaign contributions; however, the official acts performed by DE CONCINI cannot be linked to these contributions.

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Other things of value could be land and/or loans; however, none of these items can be attributed to monies from KEATING, his employees or affiliated companies. [] in his deposition of 10/26/90, page 44, line 14, is asked about this area, and [] responds that to his knowledge, DE CONCINI and family members had no financial deals or relation with LSL, ACC or KEATING.

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[] does, however, admit that he and KEATING have a business relationship (page 64, line 10). [] is questioned about the DE CONCINI note to KEATING dated 12/18/84 (bates #D000621), where DE CONCINI writes a postscript, "Sorry we missed dinner. Thanks for helping []. I have no monetary interest, only my friendship for []." [] states he does not know what DE CONCINI had in mind. DE CONCINI, in his 3/14/90 deposition, page 26, line 20, discusses this note; however, DE CONCINI talks around the issues, and does not clearly say why he wrote the postscript note.

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[] in his 10/26/90 deposition, identifies property and investments that he and DE CONCINI have joint interest in. [] however, states that no KEATING money is involved. DE CONCINI, in his deposition on page 253, line 5, denies any such interest as well. [] identifies the property as Pima/Bell Road property and Pinnacle Peak North property. [] on page 66, line 21, states that DE CONCINI knew nothing of his [] and KEATING's business dealings.

[] on page 43, line 5, of his deposition says he first told DE CONCINI about his business dealings with KEATING in early 1989. DE CONCINI, in his deposition, page 28, line 6, states that [] and [] told him of their financial dealings with KEATING in December of 1988 or early 1989.

On 5/17/91, [] declined to be interviewed by the FBI. The interview had been arranged to be conducted in his attorney's office; however, upon arrival [] attorney indicated that he would not allow his client to be interviewed by the FBI, citing his abuse by the SENATE ETHICS COMMITTEE's council.

[] solicited charitable contributions from KEATING on two occasions. In November, 1985, she solicited \$50,000.00 for the PHOENIX MEMORIAL HOSPITAL INTERGENERATIONAL CHILD CARE CENTER, later known as "YOUNG COMPANY". In 1987 or 1988, she solicited money for a new gymnasium for the SETON CATHOLIC HIGH SCHOOL in Chandler,

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Arizona; however, KEATING told her that funds were not available (see [redacted] letter to [redacted] dated 6/3/91). [redacted] also provided a list of other charities with which [redacted] has involvement. Review of documents available showing contributions that KEATING and his affiliated companies made, reveal that the only common charities that KEATING contributed to, that [redacted] had interest in, were the PHOENIX MEMORIAL HOSPITAL and ST. MARY'S HIGH SCHOOL (or ST. MARY'S CHURCH).

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KEATING contributed to PHOENIX MEMORIAL HOSPITAL as follows: In 1986, ACC contributed \$10,000.00 and LSL contributed \$57,500.00, and in 1987 ACC again contributed \$10,000.00.

In 1985, ACC contributed \$5,000.00 to ST. MARY'S and AMCOR contributed \$15,000.00 in 1986.

Investigation has not revealed any evidence that DE CONCINI promised any action for receipt of campaign contributions; no evidence of a quid pro quo.

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Memorandum



To : SAC, LOS ANGELES (58C-PX-41605)
(SARA) (P)

Date 7/2/91

From : SA [REDACTED]

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Subject: ALAN CRANSTON;
ET AL;
OO: Phoenix/Los Angeles

I. THE PATTERN OF KEATING CONTRIBUTIONS AND CRANSTON SERVICES

A. OCTOBER, 1986 - DIRECT INVESTMENT LEGISLATION

THINGS OF VALUE RECEIVED BY PUBLIC OFFICIAL

CRANSTON sought re-election to the United States Senate on election day, 11/5/86. In 1985, KEATING and his associates contributed \$23,000 to CRANSTON's campaigns, and in early August, 1986, they contributed an additional \$11,000. On 10/8/86, AMERICAN CONTINENTAL CORPORATION (ACC) contributed \$35,000 to the California Democratic Party (CDP) Get-Out-The-Vote (GOTV) efforts, and on 10/14/86, ACC contributed an additional \$50,000. These contributions were solicited by CRANSTON and were primarily for his benefit. On approximately 10/17/86, CRANSTON's fundraiser [REDACTED] requested a \$300,000 line of credit from LINCOLN SAVINGS AND LOAN (LSL) for CRANSTON's campaign, and the unsecured line of credit was arranged within a week, although CRANSTON never drew on the line of credit.

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OFFICIAL ACTS

On approximately 10/17/86, at ACC's request, CRANSTON and GLENN put an anonymous "hold" on the FSLIC recapitalization bill pending in the Senate, until Senator PROXMIRE agreed on 10/18/86 to drop a provision in the bill limiting direct investments. Sometime in September or October of 1986, CRANSTON asked PROXMIRE if there was some way to get KEATING's choice, [REDACTED] confirmed by the Senate to the FHLBB before adjournment on 10/18/86.

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NEXUS BETWEEN OFFICIAL ACT AND THINGS OF VALUE RECEIVED
BY PUBLIC OFFICIALS

[] has advised that, in the same telephone conversation in which he asked [] for CRANSTON's assistance to defeat PROXMIRE's direct investments legislation, [] asked [] about arranging the LSL line of credit for CRANSTON.

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The \$85,000 was given to the CDP and the LSL line of credit was arranged within at most ten days of when CRANSTON effectively killed the PROXMIRE legislation.

[] agreed to keep the line of credit secret, and because the credit line was never drawn upon, public disclosure never occurred. LSL paralegal [] who traveled from Phoenix to Los Angeles to obtain CRANSTON's signature on the loan documents, was instructed by her supervisor to not mention CRANSTON's name on her travel voucher.

B. MARCH - APRIL, 1987 - LEGISLATIVE AND REGULATORY HELP

THINGS OF VALUE

On 3/3/87, KEATING contributed \$100,000 of LSL funds to USA Votes, a partisan organization founded by CRANSTON for the purpose of raising funds for voter registration projects.

OFFICIAL ACTS

On 3/18/87, LSL sued the FHLBB, challenging the FHLBB's authority to issue regulations limiting direct investments by state-chartered institutions such as LSL. Because of this lawsuit, Senator PROXMIRE proposed, on 3/25/87, an amendment to his FSLIC recapitalization bill that would have clarified FSLIC's authority to regulate direct investments of state-chartered institutions. On 3/26/87, CRANSTON demanded of PROXMIRE that this amendment be dropped, and PROXMIRE did so, but only after stating for the record that the amendment was unnecessary, because FSLIC already had such authority. On 3/27/86, CRANSTON's banking aide, [] submitted for publication to the Congressional Record a CRANSTON statement, written by LSL outside attorney [] that disputed PROXMIRE's statement of FSLIC's authority. CRANSTON's statement was later cited in LSL's litigation with the FHLBB.

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On 4/2/87, CRANSTON and three other senators met with [redacted] to discuss LSL's regulatory woes. One week later, on 4/9/87, four senators met with San Francisco bank regulators regarding LSL. CRANSTON briefly attended the meeting and expressed agreement with the other senators' concerns.

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NEXUS

CRANSTON's services on LSL's behalf occurred within 37 or fewer days after LSL's \$100,000 check to USA Votes was written.

[redacted] wrote a "confidential" memorandum to CRANSTON dated 1/2/87, in which she said, "Now that we are back in the majority there are a number of individuals who have been very helpful to you who have cases or legislative matters pending with our office who will rightfully expect some kind of resolution." [redacted] then listed five individuals, including KEATING, who she said, "is continuing to have problems with the Bank Board and [redacted]"

C. NOVEMBER, 1987 - LEGISLATIVE AND REGULATORY HELP

THINGS OF VALUE

On 9/24/87, CRANSTON solicited KEATING to contribute \$250,000 to CRANSTON's voter registration projects and on 11/6/87, KEATING aide [redacted] delivered to CRANSTON two ACC checks, one to USA Votes for \$25,000 and one to FORUM INSTITUTE for \$225,000. FORUM INSTITUTE was a tax-exempt organization revitalized by CRANSTON, and it provided substantially all of the funding for the tax-exempt ORGANIZING INSTITUTE, which was founded by [redacted] in 1987, and for tax reasons, could not directly receive contributions until later.

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OFFICIAL ACTS

Six days after receiving the \$250,000 on 11/12/87, CRANSTON telephoned [redacted] and urged a quick resolution of the examination of LSL. On 5/1/87, the FEDERAL HOME LOAN BANK OF SAN FRANCISCO, which had conducted the LSL examinations, had recommended that LSL be placed in conservatorship, but the FHLBB had not yet acted on the recommendation.

On 11/13/87, CRANSTON wrote a letter to Senator BENTSEN proposing that the Internal Revenue Code's definition of a thrift qualifying for favorable income tax treatment be amended, to permit institutions with substantial direct investments such as LSL to qualify. This apparently resulted from [redacted] lobbying of CRANSTON's staff, and [redacted] has stated that CRANSTON's office produced what was requested by him.

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NEXUS

In a memo dated 9/6/87, [redacted] wrote CRANSTON that a USA Votes fundraising meeting was scheduled for CRANSTON with KEATING on 9/24. She added, "I've attached an article from The Wall Street Journal which talks about the views of [redacted] views that obviously are good news to KEATING. You should ask KEATING for \$250,000."

In CRANSTON's letter to KEATING dated 10/6/87, CRANSTON confirmed KEATING's pledge to contribute \$250,000 to voter registration. In the letter's opening paragraph, CRANSTON wrote, "It was a pleasure to see you....and to hear that your meeting with [redacted] had gone so well."

D. EARLY 1988 - REGULATORY INTERFERENCE

THINGS OF VALUE

On 1/8/88, KEATING dined with ALAN [redacted] CRANSTON, when [redacted] solicited a contribution for [redacted] tax-exempt, voter-registration group, The Center For Participation In Democracy (CPD). On 2/10/88, [redacted] visited ACC in Phoenix, Arizona, and KEATING gave them two ACC checks, one payable to CPD for \$400,000 and one payable to FORUM INSTITUTE for \$100,000.

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OFFICIAL ACTS

At the 1/8/88 dinner meeting, KEATING had asked CRANSTON to arrange a meeting for KEATING with [redacted] On 1/20/88, CRANSTON called [redacted] and suggested that [redacted] meet with KEATING on 1/28/88, and [redacted] did so. CRANSTON had another telephone conversation with [redacted] on 4/21/88 regarding LSL, and CRANSTON's notes indicate that [redacted] informed CRANSTON that the Enforcement Review Committee had met and would make a recommendation very soon.

On 5/5/88, KEATING became dissatisfied with the FHLBB's demands in its settlement negotiations with LSL, so KEATING called CRANSTON and asked him to call [redacted]. The next day, CRANSTON's aide [redacted] telephoned [redacted] top aides [redacted] and stated that CRANSTON was "very concerned" about some specific FHLBB negotiating positions with LSL.

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NEXUS

In [redacted] memo to CRANSTON dated 1/18/88, she wrote that she was pleased that CRANSTON's dinner with KEATING (on 1/8) "went so well." [redacted] added that KEATING had asked CRANSTON to arrange a meeting with [redacted] because KEATING wanted to learn directly from [redacted] why the LSL examination was still ongoing four months after [redacted] said it would be concluded in two weeks. Thus, at the same 1/8 meeting where CRANSTON solicited contributions from KEATING, KEATING asked CRANSTON for a favor (arrange a meeting with [redacted] and the favor was granted before KEATING made his \$500,000 contribution.

E. EARLY 1989 - ATTEMPTED SALE OF LSL

THINGS OF VALUE

In approximately February, 1989, KEATING pledged an additional \$100,000 for CRANSTON's voter registration groups, but KEATING postponed payment until after LSL was sold, so the \$100,000 was never contributed. On 1/10/89, ACC contributed \$10,000 to CRANSTON's PAC, Committee for a Democratic Consensus, in connection with a Super Bowl event.

OFFICIAL ACTS

In early 1989, KEATING tried several times to sell LSL, but the FHLBB would not approve the sales, and the FHLBB eventually seized LSL on 4/14/89.

CRANSTON and [redacted] met with KEATING and [redacted] on 2/7/89. On 2/8/89, [redacted] telephoned FHLBB regulator [redacted] demanding to know why the LSL sale had not yet been approved. CRANSTON called [redacted] and FDIC head WILLIAM SEIDMAN the

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same day regarding the LSL sale. On 4/12/89, CRANSTON called both [] and FHLBB member [] and urged consideration of JOHN ROUSSELOT's offer to buy LSL. On 4/13/89, CRANSTON urged the third FHLBB member [] to hear prospective LSL buyer ROUSSELOT's offer and to consider the effect of ACC's bankruptcy on California, Arizona, and the FSLIC. After the FHLBB seized LSL on 4/14/89, CRANSTON tells [] that the FHLBB made a serious mistake.

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NEXUS

On 12/14/88, KEATING met CRANSTON and [] in Los Angeles for dinner, and CRANSTON greeted KEATING by characterizing the dinner as a meeting of the mutual aid society.

II. ADDITIONAL EVIDENCE OF CRIMINAL INTENT

A. CRANSTON'S STATE OF MIND

On 12/14/88, according to [] CRANSTON referred to his meeting with KEATING as the mutual aid society.

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In his Senate Select Committee on Ethics deposition on 4/30/90, CRANSTON explained that a contributor has "a better chance to get access" than a noncontributor (page 219). In a telephone interview with reporter MARK STERN on 10/2/89, CRANSTON explained that there never should be a "quid pro quo to a contribution," and "the most" a contribution "is supposed to and expected to get somebody is access if they have a problem." CRANSTON added that a supporter has "a right to present a case to you and any constituent has except you can't see every constituent. So access goes to those who have been helpful..." (Transcript is CRANSTON document #80000040.) In his Ethics Committee deposition (at page 341), CRANSTON conceded that KEATING had "almost total access" to CRANSTON and his staff.

CRANSTON commonly had his fundraiser, [] present for meetings with KEATING and other businessmen seeking CRANSTON's services. According to [] in nearly all of KEATING's meetings with CRANSTON, CRANSTON asked for a contribution.

B. KEATING'S AND [REDACTED] STATE OF MIND

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In a prepared statement delivered on 4/17/89, the Monday following ACC's bankruptcy filing, KEATING said, "One question....had to do with whether my financial support in any way influenced several political figures to take up my cause. I want to say in the most forceful way I can: I certainly hope so."

In his FBI interview on 10/11/90, [REDACTED] said that CRANSTON's office never conditioned services on contributions, but [REDACTED] felt that the ACC contributions developed goodwill with [REDACTED] and gained special access to CRANSTON, access that would not have been available without the contributions.

C. HISTORY OF CRANSTON'S POSITION ON DIRECT INVESTMENTS

In July, 1984, CRANSTON wrote (apparently not at LSL's request) to [REDACTED] requesting that [REDACTED] defer adoption of the proposed regulation limiting direct investments "until Congress and affected institutions have had an opportunity for greater consideration of this subject." In [REDACTED] memo to CRANSTON dated 12/13/84, she stated that CRANSTON has never taken a substantive position on direct investments, but only that it was an issue appropriate for Congressional review. In late 1984, LSL attorney/lobbyist [REDACTED] asked [REDACTED] to oppose the proposed direct investment limitations, and she declined to do so. On 1/31/85, CRANSTON wrote [REDACTED] requesting that the comment period on the direct investment regulation be extended from 30 days to 90 days. In this letter, CRANSTON said he was "sympathetic" with the FHLBB's concerns that unrestricted direct investments may threaten the FSLIC, and that "reasonable regulatory controls" to protect the FSLIC were appropriate.

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Thus, CRANSTON's opposition to direct investment limitations developed after 1/31/85, about the same time he was establishing a relationship with ACC/LSL and other similarly minded institutions.

D. USA VOTES FUNDED SOME OF CRANSTON'S TRAVEL AND MEAL EXPENSES

In 1987, LSL/ACC contributed \$125,000 to USA Votes, CRANSTON's partisan organization designed to raise funds for voter registration groups. This was a sizable contribution in that USA Votes' 1987 expenditures were only \$190,000. USA Votes reimbursed CRANSTON for his fundraising expenses, which totalled \$16,472.98 (according to USA Votes) in travel, lodging, and meals from 5/5/87 through 10/14/88. In addition, USA Votes reimbursed [redacted] for some of his expenses in attending the Democratic Party's National Convention in 1988, totalling \$612.33.

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b7CIII. [redacted] EVIDENCE

CRANSTON's fundraiser [redacted] (not a government employee) was involved in raising \$850,000 in voter registration funds from KEATING and arranging the 1986 line of credit from LSL. According to [redacted] she frequently discussed substantive issues with him, including occasions when she was soliciting funds from him. By her own admission, [redacted] relayed substantive concerns from [redacted] to CRANSTON or [redacted]. In her memo to CRANSTON dated 1/2/87, she suggested that KEATING and others should be helped by CRANSTON's office because they had been helpful to CRANSTON. However, [redacted] did not directly benefit personally by raising funds from KEATING, because she was paid a flat monthly amount for her fundraising and did not receive any commissions.

CRANSTON's former Southern California Finance Chair [redacted] has implicated [redacted] in arranging in 1988 an illegal transfer of \$4,000 from CRANSTON's political action committee to CRANSTON's 1984 presidential campaign through [redacted] political action committee. Federal Election Commission records shows that [redacted] PACIFIC PAC contributed \$4,000 to CRANSTON's 1984 presidential campaign on 1/27/88. Three days later, on 1/30/88, CRANSTON's Committee for a Democratic Consensus contributed \$5,000 to PACIFIC PAC. Thus, [redacted] allegation is supported by the record of nearly simultaneous transfers among the three entities. However, in [redacted] memo to CRANSTON dated 1/18/88, she informed CRANSTON that "over the holiday" [redacted] had agreed to have his PAC give \$4,000 to the presidential campaign "to cover the money that [campaign treasurer] [redacted] needs in January". In her memo dated 2/22/88, [redacted] asked CRANSTON to write [redacted] a handwritten note thanking him for the \$4,000 contribution from his PAC to the presidential campaign. In neither memo did [redacted] mention that [redacted] PAC was reimbursed for its contribution.

No other conduit contribution to CRANSTON's presidential campaign is apparent from a review of Federal Election Commission records. In fact, in 1987-1988, CRANSTON's presidential campaign received only \$10,900 in contributions from political action committees, of which \$4,000 came from PACIFIC PAC. Other than PACIFIC PAC, none of the other PAC contributors received contributions from CRANSTON's PAC in 1987-1988.

IV. [REDACTED] EVIDENCE

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Although [REDACTED] was instrumental in assisting ACC/LSL on several occasions from 1986 through 1989, there is no evidence she was aware of the various contributions that had been solicited by CRANSTON and made by ACC/LSL.

In mid-April, 1987, [REDACTED] visited ACC in Phoenix at ACC's expense. This trip occurred less than three weeks after [REDACTED] placed a statement in the Congressional Record that assisted LSL in its litigation with the FHLBB.

In [REDACTED] testimony under oath before the Senate Select Committee on Ethics on 12/11/90, [REDACTED] was asked about a statement in the Congressional Record of 3/27/87 attributed to CRANSTON. [REDACTED] testified (at page 43). "I wrote the statement, and I used whatever I had in my files." [REDACTED] repeated at page 144, "I wrote the statement". At page 64, she was asked, "Did your inserting that statement into the Congressional Record have any relation to Mr. Keating or [REDACTED] or Lincoln? By that, I mean, did they ask you to do it, or request you to do it?" [REDACTED] responded, "No, they did not request that I do it. It may have inadvertently assisted them but it was certainly not the purpose of the statement". Later she was again asked, "Had you talked to [REDACTED] or anyone else at Lincoln at that time?" and she responded, "No", (at page 145). LSL attorney/lobbyist [REDACTED] has advised that he wrote the statement and submitted it to [REDACTED] said the 294-word statement as published in the Congressional Record is identical to the statement he provided [REDACTED] except that [REDACTED] changed an immaterial 6-word phrase after consulting with him. [REDACTED] description before the Ethics Committee of the circumstances of the statement was so unintelligible as to indicate that she lacked sufficient understanding to author such a statement. Thus, [REDACTED] claim that she wrote the statement without any request from LSL may be considered perjury under Title 18, United States Code, Section 1621.

V. ADDITIONAL INVESTIGATION CONTEMPLATED

A. Attempt to identify and interview the California Democratic Party (CDP) Official who is familiar with ACC's 1986 contribution to the CDP.

B. Interview Senator BYRD's floor staff members who may be knowledgeable about the hold(s) on PROXMIRE's 1986 FSLIC recapitalization bill.

C. Interview former LSL employee [redacted] regarding circumstances of the 1986 LSL line of credit to CRANSTON, and the reason for the secrecy surrounding it.

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D. Re-interview [redacted]

E. Interview GLENN regarding his "hold" on PROXMIRE's 1986 direct investment legislation, to determine if he was aware of CRANSTON's involvement.

F. Interview CRANSTON.

G. Interview [redacted] and CHARLES KEATING, if and when they become available.

H. Consider locating other individuals who may have solicited CRANSTON's services in connection with contributions, such as:

1. E. GALLO, Modesto, California - contributed \$200,000 to CRANSTON's voter registration project in 1987 - 1988.

2. [redacted] Los Angeles, California - CRANSTON may have interceded with [redacted] in 1988 in connection with [redacted] attempt to acquire TAHOE SAVINGS.

3. [redacted] all mentioned on [redacted] 1/2/87 list of individuals who have been helpful and who rightfully expect resolution of their problems.

I. Interview CRANSTON's [redacted] regarding the LSL line of credit and the \$85,000 contribution to the California Democratic Party.

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Memorandum



To : SAC, LOS ANGELES (58C-PX-41605) (SARA-Date (P)/5/91

From : SA [REDACTED]

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Subject: U.S. SENATOR ALAN CRANSTON, ET AL;
CORRUPTION OF PUBLIC OFFICIALS;
OO: PHOENIX/LOS ANGELES

This memo summarizes the evidence as it relates to Senator DONALD RIEGLE.

I. BRIBERY/GRATUITY

A. THINGS OF VALUE RECEIVED BY PUBLIC OFFICIAL

On 3/1/86, RIEGLE attended the opening of ACC'S HOTEL PONTCHARTRAIN in Detroit, Michigan. ACC paid round-trip travel expenses for RIEGLE [REDACTED] from Washington to Detroit.

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On 1/28/87, KEATING offered to organize a fund raising event for RIEGLE at the HOTEL PONTCHARTRAIN with a goal of raising at least \$100,000. The fund raising luncheon was held on 3/23/87, and \$95,150 was contributed to RIEGLE, of which \$78,250 was contributed by individuals affiliated with KEATING as family, employees, or spouses of employees.

On 2/22/88, [REDACTED] offered to sponsor another fund raising event for RIEGLE to be held in New York on May 10 or 11, with the goal of raising \$100,000. This event was never held, and no ACC/LSL affiliated contributions were made to RIEGLE after March of 1987.

B. OFFICIAL ACTS

RIEGLE attended a meeting on 4/9/87 in Washington with the San Francisco regulators, along with three other senators. The senators were interceding on behalf of LINCOLN SAVINGS, and this meeting followed a 4/2/87 meeting the senators had with [REDACTED]. RIEGLE did not attend the 4/2/87 meeting and he claims he had no prior knowledge of the meeting. However, RIEGLE probably helped arrange the meeting with [REDACTED] and RIEGLE has admitted he suggested to [REDACTED] in March of 1987 that [REDACTED] meet with the Arizona senators regarding LINCOLN SAVINGS.

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C. NEXUS BETWEEN OFFICIAL ACTS AND THINGS OF VALUE RECEIVED BY PUBLIC OFFICIAL.

RIEGLE attended the 4/9/87 meeting with the San Francisco regulators only 17 days after the \$95,150 fund raising luncheon.

II. PERJURY

A. RIEGLE'S STATEMENTS UNDER OATH

In his testimony before the Senate Ethics Committee, RIEGLE testified that he returned approximately \$78,000 in campaign contributions to KEATING affiliated contributors only after learning from the DETROIT NEWS on 2/28/88 that \$66,000 of the HOTEL PONTCHARTRAIN fund raising event proceeds came from KEATING affiliated individuals. RIEGLE explained that this created an appearance of conflict of interest, because the funds were received close in time to the 4/9/87 meeting with regulators attended by RIEGLE.

On 10/17/90, testifying before an executive session of the Ethics Committee, RIEGLE stated that until the DETROIT NEWS story was published nearly a year after the HOTEL PONTCHARTRAIN event, which revealed that \$66,000 of the proceeds came from individuals with "apparent direct business connections to KEATING", RIEGLE had "no prior knowledge of this pattern of contributions" (page 37). RIEGLE testified he asked his staff to immediately check the story's accuracy, because he had "real doubts" that it was accurate. RIEGLE said he initially thought the story was "maybe a hatchet job and untrue" (page 38).

On 1/7/91, in his public testimony before the Ethics Committee, RIEGLE repeated that when he first saw the DETROIT NEWS article about the \$66,000, "I didn't believe it because that was nothing that I knew or was aware of or had imagined" (page 81). RIEGLE said he then learned that \$78,000 had been given by 78 individuals who had listed 13 different business affiliations, but who were affiliated with KEATING, and "That is the first I knew of that" (page 81). RIEGLE explained he was troubled about this and the proximity to his attendance at the April 9 meeting, so he refunded the contributions.

Again on 1/7/91, RIEGLE testified he was "uncomfortable about the appearance of the bundling of all of those contributions, which I had not known about until that story ran" and his attendance at the April 9 meeting (pages 110-111).

On 1/8/91, RIEGLE testified that, after the DETROIT NEWS story ran a year after the fund raising event, "I found out for the first time that the bulk of those contributions had not come from my own contributors where we had sent the contributor list out there, and I thought that is where the bulk of the effort was going to be directed" (page 152). RIEGLE was referring to a list of approximately 400 Michigan residents who had previously contributed at least \$500 to RIEGLE, which list was provided by RIEGLE'S staff to KEATING as prospective contributors to the HOTEL PONTCHARTRAIN event. With regard to RIEGLE refunding the KEATING-affiliated contributions, Senator LOTT asked RIEGLE if he recognized there was an appearance of conflict in "hindsight", and RIEGLE responded, "Yes, it was hindsight...But when I saw it, I acted on it."

B. EVIDENCE OF RIEGLE'S CONTEMPORANEOUS KNOWLEDGE OF THE CONTRIBUTORS AFFILIATION WITH KEATING

[REDACTED] RIEGLE'S fund-raiser involved in the HOTEL PONTCHARTRAIN event, knew at the time that "the bulk" of the contributions came from KEATING family and employees. In her FBI interview, [REDACTED] said that the checks received at the HOTEL PONTCHARTRAIN (as differentiated from checks mailed before the event) were delivered by RIEGLE to [REDACTED] and [REDACTED] explained that these checks could be identified by FEC records as being received on March 23 or 24. According to RIEGLE'S FEC report, RIEGLE received on 3/24/87 checks totalling \$21,000 from KEATING affiliated contributors.

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In February 1987, three separate bundles of checks from KEATING affiliated individuals payable to RIEGLE were collected by an ACC secretary and forwarded to [REDACTED] a fund-raiser for DECONCINI. With a cover letter dated 3/3/87, [REDACTED] forwarded an unspecified number of checks to DECONCINI, for delivery to RIEGLE. [REDACTED] noted in his letter that the checks were raised by KEATING. DECONCINI testified before the Ethics Committee that he personally physically gave to RIEGLE the checks DECONCINI received from [REDACTED] (1/1/91 testimony at page 192). In all likelihood, DECONCINI gave RIEGLE all three bundles of checks [REDACTED] had obtained from ACC in February, because RIEGLE'S FEC report shows that all these checks in the three bundles were received by RIEGLE'S campaign on 3/12/87. Checks from KEATING'S family and employees in the three bundles totalled \$28,750.

RIEGLE'S FEC report shows receipt of \$21,500 in checks from KEATING, his family and employees on 3/11/87. Although additional investigation is necessary to substantiate this, these checks probably were handed to RIEGLE when RIEGLE and his aide

[redacted] visited the ACC offices in Phoenix on 3/9/87, and flew back to Washington that afternoon with [redacted]

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Thus, RIEGLE apparently had in his hands in March, 1987, checks totalling \$71,250 from individuals affiliated with KEATING, specifically the \$21,000 RIEGLE gave [redacted] on March 23 or 24, the \$28,750 DECONCINI gave RIEGLE on approximately March 12, and the \$21,500 RIEGLE probably picked up in Phoenix on March 9. If RIEGLE looked at the checks, he would have noticed the Arizona address^s rather than Michigan.

Furthermore, in her interview, [redacted] said it was common in the RIEGLE campaign to receive contributions from family and employees of the host of a fund raising event. [redacted] estimated that 75% of contributions from hosted events came from the host's family and employees. Evidence that RIEGLE was aware of this routine practice would have to be developed.

RIEGLE'S implication that the contributors could not be identified as KEATING employees because they listed 13 different business affiliations is specious. A review of RIEGLE'S FEC report for March 1987 shows contributions of \$38,500 from 35 individuals employed by AMERICAN CONTINENTAL CORPORATION or other companies where the first two words of their names were "AMERICAN CONTINENTAL" (such as AMERICAN CONTINENTAL PROPERTIES), \$10,750 from 14 individuals employed by LINCOLN SAVINGS AND LOAN or LINCOLN SAVINGS AGENCY, \$2,000 from one individual employed by HOTEL PONTCHARTRAIN, and \$11,500 from eight individuals clearly identifiable as spouses of ACC/LSL employees, for a total of \$62,750. All these individuals had Arizona addresses, except for a few LINCOLN SAVINGS employees residing in California.

C. EVIDENCE SUPPORTING RIEGLE'S IGNORANCE

[redacted]
[redacted] stated in his FBI interview on 6/20/90, that knowledge of the degree of KEATING affiliated contributions, which lead to RIEGLE'S decision to refund the KEATING affiliated contributions, came from the Detroit Newspaper story. [redacted]
[redacted] in an affidavit submitted to the Ethics Committee, stated she was with RIEGLE in Detroit on 2/28/88 when RIEGLE read the DETROIT NEWS article in disbelief.

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[Signature]

REVIEW OF DEPOSITION OF
DENNIS DE CONCINI
BEFORE THE UNITED STATES SENATE
SELECT COMMITTEE ON ETHICS
WASHINGTON, D.C.
MARCH 14, 1990

Page 11	Line 12	KEATING advised LSL of DE CONCINI's conversation with KEATING change after this date.
Page 12	Line 11	1982 fund raiser held at KEATING's residence.
Page 13	Line 6	Direct investment discussion.
Page 15	Line 16	KEATING comes to DE CONCINI office with [REDACTED] in July of 1985.
Page 16	Line 8	DE CONCINI writes to [REDACTED] regarding direct investments.
Page 25	Line 14	DE CONCINI contacts Senator GARN at KEATING request.
Page 26	Line 6	DE CONCINI contacts GARN at KEATING request.
Page 26	Line 20	DE CONCINI note to KEATING where he attaches postscript thanking KEATING for his help of [REDACTED]
Page 28	Line 6	[REDACTED] deals with KEATING were disclosed by them to DE CONCINI in December of 1988 or early 1989.
Page 28	Line 13	[REDACTED] is identified by DE CONCINI as the individual who asked DE CONCINI to call GARN.
Page 31	Line 8	DE CONCINI calls [REDACTED] and DON REGAN.
Page 35	Line 12	DE CONCINI knew that KEATING and his associates had contributed money to his campaign.

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Page 40	Line 12	DE CONCINI states he did nothing for KEATING because of the money given to him.
Page 41	Line 8	DE CONCINI discusses the KEATING statement of 4/17/89 regarding political influence.
Page 44	Line 11	DE CONCINI/DON RIEGLE collection agreement.
Page 45	Line 19	DE CONCINI does not recall talking to RIEGLE about KEATING contributions, but states "handed those checks to RIEGLE."
Page 53	Line 13	KEATING informed DE CONCINI of Senators' identities who were interested in the 4/2/87 meeting.
Page 59	Line 9	DE CONCINI/MC CAIN meet on 3/19/87.
Page 64	Line 21	DE CONCINI called [] to set up 4/2/87 meeting.
Page 65	Line 21	Someone from KEATING GROUP told DE CONCINI that MC CAIN was interested in the LSL problem.
Page 66	Line 10	RIEGLE suggests meeting with []
Page 69	Line 20	DE CONCINI did tell MC CAIN that he would negotiate on behalf of KEATING.
Page 70	Line 19	DE CONCINI had discussion with MC CAIN that LSL would do something for something in return from the FHLBB.
Page 72	Line 8	DE CONCINI told MC CAIN that RIEGLE suggested the 4/2/87 meeting.
Page 73	Line 19	RIEGLE suggests [] meeting.
Page 74	Line 5	KEATING calls DE CONCINI on 3/17/87 suggesting the [] meeting.

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Page 75	Line 14	CRANSTON was aware of [REDACTED] meeting.
Page 79	Line 3	3/24/87 meeting with KEATING.
Page 80	Line 5	DE CONCINI may have told KEATING meeting with [REDACTED] was set or was in the works. KEATING reaffirmed which senators would attend.
Page 80	Line 13	3/24/87 DE CONCINI first learned which senators would attend the 4/2/87 meeting.
Page 81	Line 15	KEATING would make concessions.
Page 98	Line 6	KEATING was who called about meeting with [REDACTED]
Page 98	Line 13	DE CONCINI talks to RIEGLE regarding the 4/2/87 meeting on 3/17/87.
Page 127	Line 16	DE CONCINI discusses the "quid pro quo" as it relates to [REDACTED] assertion that it was offered on 4/2/87.
Page 163	Line 8	DE CONCINI was called by [REDACTED] on 4/3/87.
Page 176	Line 18	RIEGLE suggests [REDACTED] meeting DE CONCINI, as did KEATING.
Page 190	Line 20	DE CONCINI called KEATING after 4/2/87 meeting.
Page 191	Line 19	DE CONCINI called KEATING after the 4/19/87 meeting.
Page 199	Line 21	DE CONCINI, after the 4/9/87 meeting, did nothing for KEATING until the sale of LSL.
Page 213	Line 1	DE CONCINI calls KEATING after the 4/9/87 meeting.
Page 213	Line 16	DE CONCINI and KEATING meet 9/24/87.
Page 216	Line 21	DE CONCINI answers questions regarding LSL sale calls.

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Page 217 Line 16 DE CONCINI answers questions
 regarding LSL sale calls.

Page 223 Line 6 DE CONCINI calls re second LSL
 sale.

Page 226 Line 5 DE CONCINI calls [REDACTED]

Page 229 Line 12 DE CONCINI's call to
 [REDACTED]

Page 233 Line 16 DE CONCINI and CRANSTON talk
 regarding LSL sale.

Page 234 Line 21 DE CONCINI and CRANSTON
 discuss sale of LSL before
 calls to [REDACTED]

Page 238 Line 20 DE CONCINI talks with KEATING
 before [REDACTED] calls.

Page 239 Line 19 DE CONCINI calls
 [REDACTED]

Page 243 Line 1 DE CONCINI denies trying to
 muzzle [REDACTED]

Page 244 Line 7 2/7/89 meeting in DE CONCINI's
 office re LSL sale.

Page 245 Line 4 DE CONCINI calls KEATING re
 calls to California
 regulators.

Page 245 Line 17 DE CONCINI tells KEATING about
 wall calls.

Page 245 Line 22 DE CONCINI calls
 [REDACTED] re LSL sale.

Page 249 Line 7 DE CONCINI had no contact with
 regulators for 20 months after
 the 4/7/87 meeting.

Page 251 Line 8 DE CONCINI discusses the Iran
 Contra vote trade regarding
 [REDACTED]

Page 252 Line 14 DE CONCINI didn't know
 [REDACTED] had financial ties
 with KEATING when he was
 actively supporting [REDACTED]
 for nomination to the FEDERAL
 HOME LOAN BANK BOARD (FHLBB).

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Page 253 Line 2 DE CONCINI says he has no financial interest in any KEATING company; however, he qualifies that on one occasion he did have a certificate of deposit at LSL.

Page 255 Line 7 DE CONCINI states that [REDACTED] informed him of their business relationship with KEATING in either December, 1988 or early 1989.

Page 257 Line 3 DE CONCINI discloses he has interest in Pinnacle Peak.

Page 257 Line 12 DE CONCINI again discusses the "thanks for helping [REDACTED] postscript notation on his 12/18/84 letter to KEATING.

Page 266 Line 11 DE CONCINI does not believe that KEATING dealt straight with him.

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DENNIS DE CONCINI TIME LINE

1982 KEATING has fund raiser at his home for DE CONCINI, raising \$31,000.00.

6/6/84 KEATING and DE CONCINI meet.

9/12/84 [] meets with DE CONCINI.

10/15/84 DE CONCINI dines with KEATING.

1/29/85 KEATING meets with DE CONCINI.

4/2/85 KEATING dines with DE CONCINI.

7/10/85 KEATING, [] meet with DE CONCINI.

7/31 -
8/15/85 KEATING AND ASSOCIATES contribute \$16,000.00 to DE CONCINI.

3/26/86 KEATING, [] meet with DE CONCINI.

6/6/86 DE CONCINI writes to DON REGAN (White House Chief of Staff) and recommends [] for FEDERAL HOME LOAN BANK BOARD (FHLBB) position.

7/7/86 KEATING and DE CONCINI dine at ACC, Phoenix.

7/23/86 DE CONCINI pairs vote with Senator BARRY GOLDWATER after KEATING lobbies him to support Judge DAN MANION, so White House would support [] (confirmation of MANION defeated in the Senate in a tie vote). Review of the Congressional Quarterly revealed that on 7/23/84, DE CONCINI and GOLDWATER did, in fact, pair their vote. GLENN, bates number G001589, shows request of GLENN to vote for MANION. [] 302 dated 10/10-11/90, confirms this request. DE CONCINI letter to DON REGAN is DE CONCINI bates number D000647, and REGAN's acknowledgment is bates number D000648.

8/20/86 KEATING AND ASSOCIATES contribute \$10,000.00 to DE CONCINI.

9/16/86 [] meets with DE CONCINI.

1/8/87 [] meets with DE CONCINI (not confirmed).

1/27/87 KEATING and [] meet with DE CONCINI.

1/28/87 KEATING and [] meet with DE CONCINI.

3/3/87 DE CONCINI dines with [] FHLBB.

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3/17/87 KEATING calls DE CONCINI suggesting meeting with [REDACTED]

3/18/87 DE CONCINI and DON RIEGLE meet regarding ACC.

3/19/87 [REDACTED] writes memo to DE CONCINI stating what ACC wants from [REDACTED] and what ACC is willing to do. DE CONCINI and MC CAIN also meet on this date.

3/24/87 KEATING and [REDACTED] meet with DE CONCINI.

4/1/87 [REDACTED] writes memo to DE CONCINI stating lawsuit filed by AMERICAN CONTINENTAL against [REDACTED] and FHLBB. Memo further defines what AMERICAN CONTINENTAL would like, and what AMERICAN CONTINENTAL will do.

4/2/87 [REDACTED] meets with DE CONCINI, MC CAIN, CRANSTON and GLENN in DE CONCINI's office. On 4/2/87, DE CONCINI calls CHARLES KEATING regarding the 4/2/87 meeting. On 4/3/87, [REDACTED] calls DE CONCINI regarding a 4/9/87 meeting.

4/9/87 FEDERAL HOME LOAN BANK of San Francisco members meet with the "KEATING FIVE".

4/9/87 DE CONCINI calls KEATING after the 4/9/87 meeting, however, states in his deposition that he did not inform KEATING of the criminal referrals.

10/29/87 \$5,000.00 is contributed to DE CONCINI from [REDACTED]
[REDACTED]
(DE CONCINI bates number D001163).

1/28/88 KEATING and [REDACTED] meet with DE CONCINI.

11/8/88 DE CONCINI is re-elected to the Senate (CHK AND ASSOCIATES raise \$47,100.00 for the 1988 campaign during the period 4/1/85 - 10/29/87)

1/ /89 DE CONCINI calls FHLBB member, [REDACTED] regarding the ROUSSELOT purchase of LSL. During the period of January to April of 1989, DE CONCINI calls [REDACTED] regarding LSL sale.

4/7/89 DE CONCINI, after other pending matters, raises the sale of LSL with [REDACTED]

4/ /89 DE CONCINI calls [REDACTED] State of California, regarding LSL sale.

4/11/89 DE CONCINI, at the request of KEATING, calls [REDACTED] asking him to support the sale of LSL to ROUSSELOT.

4/14/89 [REDACTED] gives a courtesy call to DE CONCINI regarding the FHLBB's decision to seize LSL.

9/18/89 DE CONCINI says he will return \$48,000.00 from KEATING
AND ASSOCIATES.

9/19/89 DE CONCINI returns \$47,100.00 to KEATING AND ASSOCIATES
(DE CONCINI bates number D001169).

11/27/89 DE CONCINI confirms return of KEATING AND ASSOCIATES'
contribution to the FEDERAL ELECTION COMMISSION (FEC)
(DE CONCINI bates number D001162).

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FBI DALLAS/ROUTINE/

FBI NEW YORK/ROUTINE/

FBI SAN FRANCISCO/ROUTINE/

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FBI WMFO/ROUTINE/

INFO DIRECTOR FBI/ROUTINE/

FBI PHOENIX/ROUTINE/

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SECTION ONE OF THREE SECTIONS

CITE: //3410:0670//

PASS: FBIHQ PUBLIC CORRUPTION UNIT.

SUBJECT: ALLEGATIONS CONCERNING U.S. SENATORS ALAN CRANSTON,

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PAGE TWO DE FBILA 0002 UNCLAS

DENNIS DECONCINI, JOHN GLENN, JOHN MCCAIN, DONALD RIEGLE;
CHARLES H. KEATING, JR., DBA LINCOLN SAVINGS AND LOAN
ASSOCIATION, IRVINE, CALIFORNIA, AND AMERICAN CONTINENTAL
CORPORATION, PHOENIX, ARIZONA; CORRUPTION OF FEDERAL PUBLIC
OFFICIALS - LEGISLATIVE; OO: PX/LA.

ENCLOSED BY SEPARATE FAX ARE: FOR DALLAS, LETTER DATED
2/5/88 TO [REDACTED] FROM CRANSTON, AND MEMORANDUM DATED
12/20/88 TO CRANSTON FROM [REDACTED] REGARDING [REDACTED]
[REDACTED] FOR NEW YORK, TWO LETTERS DATED 3/2/88 AND 5/9/88 FROM
CRANSTON TO [REDACTED] FOR SPRINGFIELD, A LETTER DATED
5/4/88 TO [REDACTED] FROM CRANSTON AND A FORBES MAGAZINE ARTICE
ENTITLED "POLITICAL GREENMAIL" FROM PAGE 72 OF 5/27/91 ISSUE.
FOR WMFO, [REDACTED] MEMO TO CRANSTON DATED 1/2/87.

THIS INVESTIGATION INVOLVES WELL-PUBLICIZED ALLEGATIONS
THAT CAPTIONED U.S. SENATORS INTERCEDED ON SUBJECT CHARLES H.
KEATING'S BEHALF WITH FEDERAL HOME LOAN BANK BOARD (FHLBB)
REGULATORS, IN EXCHANGE FOR CONTRIBUTIONS TO THE SENATORS'
CAMPAIGNS, POLITICAL ACTION COMMITTEES, AND CRANSTON'S VOTER
REGISTRATION GROUPS. THE ALLEGED INTERFERENCE WAS ON BEHALF
OF TROUBLED LINCOLN SAVINGS AND LOAN ASSOCIATION (LSL), WHICH
WAS ULTIMATELY PLACED IN CONSERVATORSHIP BY THE FHLBB ON

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4/14/89. INVESTIGATION HAS FOCUSED ON SENATOR CRANSTON, AND THE PATTERN OF SERVICES PERFORMED BY CRANSTON FOR KEATING CLOSE IN TIME TO KEATING CONTRIBUTIONS TO CRANSTON ORGANIZATIONS.

AMERICAN CONTINENTAL CORPORATION (ACC) AND ITS SUBSIDIARY LSL CONTRIBUTED A TOTAL OF \$850,000 IN 1987-1988 TO "SOFT-MONEY" VOTER REGISTRATION GROUPS AFFILIATED WITH CRANSTON. IN DECEMBER 1985, CRANSTON ASKED [REDACTED] TO ORGANIZE AMERICAVOTES (LATER KNOWN AS USA VOTES), A PARTISAN GROUP CONTROLLED BY CRANSTON DESIGNED TO RAISE FUNDS FOR NON-PARTISAN VOTER REGISTRATION GROUPS. [REDACTED] CREATED A FOR-PROFIT CORPORATION KNOWN AS NEW DIMENSION RESOURCES TO MANAGE AMERICAVOTES. BEGINNING IN 1986, CRANSTON SOLICITED NON-DEDUCTIBLE CONTRIBUTIONS TO AMERICAVOTES TO COVER THE FUND RAISING OVERHEAD. UNDER THE AUSPICES OF USA VOTES, CRANSTON THEN RAISED TAX-DEDUCTIBLE MONEY FOR VOTER REGISTRATION GROUPS, IN PARTICULAR, A GROUP FOUNDED BY [REDACTED] KNOWN AS THE FORUM INSTITUTE, AND [REDACTED] CITIZENS PARTICIPATION PROJECT: THE MISSING HALF. [REDACTED] USA VOTES, AND FORUM INSTITUTE WERE BASED IN WASHINGTON, D.C. AFTER

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CRANSTON'S SUCCESSFUL RE-ELECTION CAMPAIGN IN 1986, [REDACTED]

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[REDACTED] FOUNDED IN 1987 THE ORGANIZING INSTITUTE (OI) AND THE CENTER FOR PARTICIPATION IN DEMOCRACY (CPD), CALIFORNIA-BASED, TAX-EXEMPT, VOTER REGISTRATION GROUPS THAT PURPORTED TO BE NON-PARTISAN. [REDACTED]

[REDACTED] THE GET-OUT-THE-VOTE (GOTV) IN CRANSTON'S 1986 CAMPAIGN. FORUM INSTITUTE PROVIDED ALMOST ALL OF THE FUNDING FOR OI. [REDACTED] RAISED MOST OF THE FINANCING FOR CPD, WHICH BEGAN RECEIVING CONTRIBUTIONS IN SEPTEMBER 1987 AFTER IT OBTAINED ITS TAX-EXEMPT STATUS FROM THE INTERNAL REVENUE SERVICE. [REDACTED] HIRED PROFESSIONAL FUND RAISERS TO ASSIST IN THE FUND RAISING. [REDACTED] AND [REDACTED] WERE PROFESSIONAL FUND RAISERS FOR FORUM INSTITUTE AND USA VOTES. CPD RETAINED PROFESSIONAL FUND RAISER [REDACTED] OF SAN FRANCISCO TO HELP RAISE FUNDS.

IN ADDITION TO THE VOTER REGISTRATION GROUPS, CRANSTON MAINTAINED TWO SEPARATE CAMPAIGN ORGANIZATIONS AND A POLITICAL ACTION COMMITTEE. THE CAMPAIGN ORGANIZATIONS WERE ONE FOR HIS SENATORIAL CAMPAIGN AND ONE FOR HIS 1984 PRESIDENTIAL CAMPAIGN. CRANSTON'S POLITICAL ACTION COMMITTEE WAS KNOWN AS THE COMMITTEE FOR A DEMOCRATIC CONSENSUS (CDC). FOR SEVERAL

YEARS IN THE LATE 1980'S, CRANSTON SPONSORED A FUND RAISING EVENT IN CONNECTION WITH THE SUPERBOWL, WHICH RAISED MONEY FOR THESE THREE ENTITIES. IN ADDITION, IN 1986, CRANSTON R "SOFT-MONEY" FOR THE CALIFORNIA DEMOCRATIC PARTY, WHICH ASSISTED HIS 1986 CAMPAIGN. SOFT-MONEY MEANS CONTRIBUTIONS NOT REGULATED BY THE FEDERAL ELECTION LAW, AND THEREFORE SOFT-MONEY CAN BE CONTRIBUTED BY CORPORATIONS IN UNLIMITED AMOUNTS.

[REDACTED] WAS ALSO A FUND RAISER FOR CRANSTON'S CAMPAIGNS, CDC, AND THE DEMOCRATIC SENATORIAL CAMPAIGN COMMITTEE (DSCC).

[REDACTED] SOLICITED KEATING FOR SEVERAL CONTRIBUTIONS, AND KEATING ALWAYS OBLIGED. IN 1985, KEATING RAISED \$23,000 FOR CRANSTON'S CAMPAIGNS, AND IN 8/86, KEATING RAISED AN ADDITIONAL \$0. IN 10/86, AT CRANSTON'S REQUEST, ACC CONTRIBUTED \$85,000 TO THE CALIFORNIA DEMOCRATIC PARTY. IN 10/86, LSL ARRANGED A \$300,000 LINE OF CREDIT FOR CRANSTON FOR HIS CAMPAIGN, AT [REDACTED] REQUEST. ON 3/3/87, KEATING CONTRIBUTED \$100,000 OF LSL FUNDS TO USA VOTES. ON 11/6/87, KEATING AIDE [REDACTED] DELIVERED TO CRANSTON TWO ACC CHECKS, ONE TO USA VOTES FOR \$25,000 AND ONE TO FORUM INSTITUTE FOR \$225,000. ON 2/10/88, [REDACTED] VISITED ACC

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PAGE SIX DE FBILA 0002 UNCLAS

IN PHOENIX, ARIZONA, AND KEATING GAVE THEM TWO ACC CHECKS, ONE PAYABLE TO CPD FOR \$400,000 AND ONE PAYABLE TO FORUM INSTITUTE FOR \$100,000. IN APPROXIMATELY 2/89, KEATING PLEDGED AN ADDITIONAL \$100,000 FOR CRANSTON'S VOTER REGISTRATION GROUPS, BUT THE \$100,000 WAS NEVER CONTRIBUTED. ON 1/10/89, ACC CONTRIBUTED \$10,000 TO CDC IN CONNECTION WITH THE SUPERBOWL EVENT. DURING THE SAME TIME PERIOD, CRANSTON ASSISTED ACC/LSL ON SEVERAL LEGISLATIVE AND REGULATORY MATTERS. IN 10/86, CRANSTON EFFECTIVELY FORCED THE U.S. SENATE FLOOR MANAGERS TO DROP A PROVISION FROM A BILL, WHICH PROVISION WOULD HAVE LIMITED DIRECT INVESTMENTS BY FEDERALLY INSURED INSTITUTIONS SUCH AS LSL. IN 3/87, CRANSTON SUCCEEDED IN CONVINCING SENATOR WILLIAM PROXMIRE TO DROP A LEGISLATIVE PROVISION THAT WOULD HAVE ADVERSELY AFFECTED LSL. IN 3/86, CRANSTON'S

SUBMITTED FOR PUBLICATION TO THE CONGRESSIONAL RECORD A STATEMENT ATTRIBUTED TO CRANSTON BUT WRITTEN BY AN LSL ATTORNEY THAT LATER ASSISTED LSL IN ITS LITIGATION WITH THE FHLBB. IN 4/87, CRANSTON AND THREE OTHER

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FM FBI LOS ANGELES (58C-PX-41605) (SARA) (P)

TO FBI CINCINNATI/ROUTINE/

FBI DALLAS/ROUTINE/

FBI NEW YORK/ROUTINE/

FBI SAN FRANCISCO/ROUTINE/

FBI SPRINGFIELD/ROUTINE/

FBI WMFO/ROUTINE/

INFO DIRECTOR FBI/ROUTINE/

FBI PHOENIX/ROUTINE/

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UNCLAS

SECTION TWO OF THREE SECTIONS

CITE: //3410:0670//

PASS: FBIHQ PUBLIC CORRUPTION UNIT.

SUBJECT: ALLEGATIONS CONCERNING U.S. SENATORS ALAN CRANSTON,

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PAGE TWO DE FBILA 0003 UNCLAS

DENNIS DECONCINI, JOHN GLENN, JOHN MCCAIN, DONALD RIEGLE;
CHARLES H. KEATING, JR., DBA LINCOLN SAVINGS AND LOAN
ASSOCIATION, IRVINE, CALIFORNIA, AND AMERICAN CONTINENTAL
CORPORATION, PHOENIX, ARIZONA; CORRUPTION OF FEDERAL PUBLIC
OFFICIALS - LEGISLATIVE; OO: PX/LA.

TEXT CONTINUES:

SENATORS MET WITH [REDACTED] REGARDING LSL. IN
1987 THROUGH 1989, CRANSTON MADE SEVERAL TELEPHONE CALLS TO
[REDACTED] URGING THE QUICK RESOLUTION OF THE
FHLBB EXAMINATION OF LSL, AND LATER URGING SERIOUS
CONSIDERATION OF A PROPOSED SALE OF LSL. CRANSTON ALSO
ARRANGED AT LEAST ONE MEETING WITH WALL FOR KEATING. ALTHOUGH
THERE IS NO PROOF THAT CRANSTON'S ASSISTANCE TO KEATING WAS
GIVEN IN EXCHANGE FOR THE CONTRIBUTIONS SOLICITED FROM KEATING
BY CRANSTON, ON FIVE OCCASIONS THE CONTRIBUTIONS WERE
SOLICITED AND GIVEN CLOSE IN TIME TO THE SERVICES PROVIDED BY
CRANSTON OR CRANSTON'S OFFICE.

LACKING PROOF OF A DIRECT NEXUS BETWEEN CRANSTON'S
SERVICES AND THE CONTRIBUTIONS, LOS ANGELES AUSA [REDACTED]
[REDACTED] AND DOJ ATTORNEY [REDACTED] HAVE REQUESTED THAT
OTHER BUSINESSMEN WHO CONTRIBUTED SUBSTANTIAL SUMS SOLICITED

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BY CRANSTON BE INTERVIEWED. A NUMBER OF MAJOR CRANSTON CONTRIBUTORS WERE SELECTED BASED ON SEVERAL FACTORS, INCLUDING THE SIZE OF THEIR CONTRIBUTIONS, CRANSTON'S PERSONAL INVOLVEMENT IN SOLICITING THE CONTRIBUTIONS, AND THE CONTRIBUTOR'S STATUS AS A BUSINESSMAN. IT IS NOT KNOWN WHETHER ANY OF THESE CONTRIBUTORS HAD LEGISLATIVE OR REGULATORY MATTERS PENDING WITH CRANSTON'S OFFICE. THE PURPOSE OF THESE INTERVIEWS IS TO DETERMINE WHETHER THESE INDIVIDUALS HAD REQUESTED ASSISTANCE FROM CRANSTON'S OFFICE, AND WHETHER CRANSTON HAD COERCED OR PRESSURED THE INDIVIDUALS INTO CONTRIBUTING IN ORDER TO OBTAIN SERVICES FROM HIS OFFICE. THUS, EACH OF THESE INDIVIDUALS SHOULD BE ASKED ABOUT THE CIRCUMSTANCES OF THEIR CONTRIBUTIONS, INCLUDING THE DETAILS OF THE SOLICITATIONS, WHETHER THEY HAD ANY DEALINGS WITH CRANSTON OR CRANSTON'S OFFICE ON SPECIFIC MATTERS, AND WHETHER THEY FELT COMPELLED OR PRESSURED TO CONTRIBUTE IN ORDER TO RECEIVE THE SERVICES FROM CRANSTON'S OFFICE.

RECEIVING DIVISIONS ARE REQUESTED TO REPORT RESULTS TO BOTH PHOENIX AND LOS ANGELES DIVISIONS.

LEADS, CINCINNATI AT CINCINNATI, OHIO: INTERVIEW

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[REDACTED] AMERICAN FINANCIAL CORPORATION, P.O. BOX 806,
CINCINNATI, OHIO, 45201. [REDACTED] CONTRIBUTED
\$25,000 TO THE FORUM INSTITUTE, WHICH WAS RECEIVED ON 5/26/88.
VIRTUALLY NO DOCUMENTATION OF THIS CONTRIBUTION COULD BE FOUND
IN FORUM'S FILES, AND SO IT IS UNKNOWN WHETHER CRANSTON
ACTUALLY SOLICITED THE CONTRIBUTION. BEFORE MOVING TO
PHOENIX, KEATING WAS EMPLOYED BY [REDACTED] AND THEY APPARENTLY
REMAINED BUSINESS FRIENDS.

DALLAS AT FORT WORTH, TEXAS: INTERVIEW [REDACTED]
FIRST CITY PROPERTIES, INC., 3200 FIRST CITY BANK TOWER, 201
MAIN STREET, FORT WORTH, TEXAS, POSSIBLE TELEPHONE NUMBER
[REDACTED] CONTRIBUTED
\$150,000 TO USA VOTES APPARENTLY IN 1988. ACCORDING TO AN
INTERNAL MEMO WRITTEN BY [REDACTED] \$100,000 OF THE \$150,000
WAS "VIA BENTSEN", PRESUMABLY U.S. SENATOR LLOYD BENTSEN OF
TEXAS. IN EARLY 1989, [REDACTED] WAS APPARENTLY SOLICITED TO
CONTRIBUTE \$100,000 TO THE SOUTHWEST VOTER REGISTRATION
PROJECT, ALTHOUGH [REDACTED] WAS REQUESTED TO SEND HIS CHECK TO
CRANSTON OR TO MAKE IT PAYABLE TO USA VOTES. CRANSTON'S NOTES
REFLECT THAT HE SPOKE WITH [REDACTED] ON 3/9/89, AND [REDACTED] STATED HE
WAS FRUSTRATED BY THE LACK OF INFORMATION AND THAT HE WANTED A

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REPORT ON SOUTHWEST VOTER REGISTRATION PROJECT'S PAST ACCOMPLISHMENTS. IT IS UNCERTAIN WHETHER [] EVER CONTRIBUTED THE \$100,000 TO SOUTHWEST IN 1989. PER THE FAXES TO DALLAS, IT IS APPARENT THAT CRANSTON WAS INVOLVED IN [] ACQUISITION FROM THE GOVERNMENT OF AMERICAN SAVINGS IN CALIFORNIA, ALTHOUGH IT IS UNCLEAR WHETHER CRANSTON ASSISTED [] IN THIS TRANSACTION.

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NEW YORK AT NEW YORK CITY: INTERVIEW [] JENNISON ASSOCIATES CAPITAL CORPORATION, 466 LEXINGTON AVENUE, NEW YORK, NEW YORK, TELEPHONE [] RECORDS SHOW [] CONTRIBUTED \$25,000 TO THE FORUM INSTITUTE WHICH WAS RECEIVED ON 11/29/87, AND AN ADDITIONAL \$25,000 TO FORUM INSTITUTE RECEIVED ON 3/18/88. [] ALSO CONTRIBUTED \$10,000 TO USA VOTES IN 1987 AND 1988. CRANSTON'S NOTES SHOW THAT ON 4/13/89, CRANSTON REQUESTED THAT [] CONTRIBUTE AN ADDITIONAL \$25,000 TO FORUM INSTITUTE AND \$5,000 TO USA VOTES. RECORDS ALSO SHOW THAT USA VOTES FUND RAISER [] CONTACTED HOBBS IN 4/88.

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NEW YORK AT NEW YORK CITY: INTERVIEW []

[] GOLDMAN, SACHS AND COMPANY, 85 BROAD STREET, 27TH

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FLOOR, NEW YORK, NEW YORK, TELEPHONE [REDACTED] RECORDS

SHOW THAT CRANSTON MET WITH [REDACTED] AT [REDACTED] OFFICE AT 10:30

A.M. ON 2/29/88, POSSIBLY ACCOMPANIED BY [REDACTED] AND

[REDACTED] PER THE FAXES TO NEW YORK, [REDACTED] APPARENTLY

PLEGGED TO CONTRIBUTE \$100,000 BY 4/1/88. RECORDS SHOW [REDACTED]

TELEPHONED [REDACTED] ON APPROXIMATELY 4/13/88, AND THAT FORUM

INSTITUTE RECEIVED \$100,000 FROM [REDACTED] ON 5/3/88, RESULTING IN

CRANSTON'S THANK YOU LETTER DATED 5/9/88.

SAN FRANCISCO AT TIBURON, CALIFORNIA: INTERVIEW [REDACTED]

[REDACTED] TIBURON, CALIFORNIA, 94920. [REDACTED]

CONTRIBUTED \$25,000 TO CPD ON A CHECK DATED 9/7/88 DRAWN ON

THE ACCOUNT OF [REDACTED]

CHARITABLE TRUST AT THE SAN RAFAEL MAIN OFFICE OF BANK OF

AMERICA. [REDACTED] CHARITABLE TRUST CONTRIBUTED AN ADDITIONAL

\$15,000 TO CPD, WHICH WAS RECEIVED ON 3/14/89.

SAN FRANCISCO AT SAN FRANCISCO, CALIFORNIA: INTERVIEW

[REDACTED] SWIG FOUNDATION, FAIRMONT HOTEL, SAN FRANCISCO,

CALIFORNIA, TELEPHONE [REDACTED] RECORDS SHOW THE SWIG

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DE FBILA #0004 2270603

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FM FBI LOS ANGELES (58C-PX-41605) (SARA) (P)

TO FBI CINCINNATI/ROUTINE/

FBI DALLAS/ROUTINE/

FBI NEW YORK/ROUTINE/

FBI SAN FRANCISCO/ROUTINE/

FBI SPRINGFIELD/ROUTINE/

FBI WMFO/ROUTINE/

INFO DIRECTOR FBI/ROUTINE/

FBI PHOENIX/ROUTINE/

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SECTION THREE OF THREE SECTIONS

CITE: //3410:0670//

PASS: FBIHQ PUBLIC CORRUPTION UNIT.

SUBJECT: ALLEGATIONS CONCERNING U.S. SENATORS ALAN CRANSTON,

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PAGE TWO DE FBILA 0004 UNCLAS

DENNIS DECONCINI, JOHN GLENN, JOHN MCCAIN, DONALD RIEGLE;
CHARLES H. KEATING, JR., DBA LINCOLN SAVINGS AND LOAN
ASSOCIATION, IRVINE, CALIFORNIA, AND AMERICAN CONTINENTAL
CORPORATION, PHOENIX, ARIZONA; CORRUPTION OF FEDERAL PUBLIC
OFFICIALS - LEGISLATIVE; OO: PX/LA.

TEXT CONTINUES:

FOUNDATION CONTRIBUTED \$50,000 TO THE FORUM INSTITUTE IN 1986,
POSSIBLY FOLLOWING A MEETING OF [REDACTED] AND SENATOR JAY
ROCKEFELLER IN 9/86. RECORDS SHOW THAT THE SWIG FOUNDATION
CONTRIBUTED \$25,000 TO THE FORUM INSTITUTE WHICH WAS RECEIVED
ON 9/27/87, AND AN ADDITIONAL \$25,000 TO CPD RECEIVED ON
5/12/88. ALAN CRANSTON [REDACTED] WROTE [REDACTED]
SEPARATE THANK YOU LETTERS DATED 11/13/87, 6/1/88, AND 6/2/88.
[REDACTED] HOSTED A FUND RAISING EVENT FOR CRANSTON'S CAMPAIGN
IN 9/86, WHICH RAISED \$10,000.

SPRINGFIELD AT DECATUR, ILLINOIS: INTERVIEW [REDACTED]
[REDACTED] ARCHER DANIELS MIDLAND CO., 4868 FARIES PARKWAY,
DECATUR, ILLINOIS, TELEPHONE [REDACTED] ARCHER DANIELS
MIDLAND (ADM) CONTRIBUTED \$50,000 TO THE MISSING HALF THROUGH
AMERICAVOTES IN 1986. RECORDS SHOW ADM CONTRIBUTED A TOTAL OF
\$200,000 TO THE FORUM INSTITUTE AS FOLLOWS: \$50,000 ON

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5/3/88, \$50,000 ON 5/11/88, AND \$100,000 ON 9/26/88. A CRYPTIC NOTE ON AN INTERNAL LIST OF FORUM CONTRIBUTORS STATES IN REFERENCE TO THE ADM CONTRIBUTIONS TO FORUM "3RD FROM [REDACTED] IDENTITY IS UNKNOWN TO LOS ANGELES DIVISION. RECORDS SHOW CRANSTON SENT [REDACTED] A THANK YOU LETTER DATED 5/4/88. IT HAS BEEN WIDELY REPORTED IN THE MEDIA THAT ADM HAS BEEN POLITICALLY ACTIVE PROMOTING ETHANOL AS AN ADDITIVE TO GASOLINE. ADM PRODUCES APPROXIMATELY 70% OF DOMESTIC ETHANOL. IN 1990, ADM AND OTHERS SUCCEEDED IN OBTAINING AMENDMENTS TO THE CLEAN AIR ACT AND THE INTERNAL REVENUE CODE THAT PROMOTED THE USE OF ETHANOL. IT IS UNKNOWN WHETHER CRANSTON OR CRANSTON'S OFFICE ASSISTED ADM IN THESE OR ANY OTHER LEGISLATIVE OR REGULATORY MATTERS.

WMFO AT WASHINGTON, D.C.: INTERVIEW [REDACTED] [REDACTED] THE KAEMPFER COMPANY, 1250 24TH STREET, NORTHWEST, SUITE 300, WASHINGTON, D.C. [REDACTED] IS MENTIONED IN [REDACTED] MEMORANDUM FAXED TO WMFO AS SOMEONE WHO HAD BEEN HELPFUL TO CRANSTON AND WHO EXPECTED ASSISTANCE IN OBTAINING AN EXEMPTION FOR A BUILDING HE WAS CONSTRUCTING IN ROSLYN FROM HEIGHT RESTRICTIONS THAT WAS IN A BILL CRANSTON HAD INTRODUCED. IN

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9/86, [] HOSTED A FUND RAISING EVENT AT HIS HOME IN WHICH APPROXIMATELY \$200,000 WAS RAISED FOR CRANSTON'S 1986 CAMPAIGN, AND OF WHICH APPROXIMATELY \$20,000 WAS RAISED BY [] HIMSELF. [] WAS ALSO THE LANDLORD FOR CDC'S OFFICES AT 1250 24TH STREET, NORTHWEST, SUITE 300, WASHINGTON, D.C. (SAME ADDRESS AS [], AND [] FREQUENTLY ALLOWED CDC'S \$500 PER MONTH RENT TO GO UNPAID. FOR EXAMPLE, FEDERAL ELECTION COMMISSION RECORDS SHOW THAT CDC PAID THE KAEMPFER COMPANY \$5,000 OF RENTS IN ARREARS ON 3/15/88, AND KAEMPFER CONTRIBUTED \$5,000 TO CDC ON 4/4/88. ACCORDING TO [] ATTORNEY [] DID NOT RECEIVE THE RELIEF HE HAD REQUESTED FROM CRANSTON IN CONNECTION WITH HIS ROSLYN BUILDING.

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FM FBI DALLAS (58C-PX-41605) (FWRA) (P)

TO DIRECTOR FBI/ROUTINE/

FBI LOS ANGELES/ROUTINE/

FBI PHOENIX/ROUTINE/

BT

UNCLAS

CITE: //3190:4840 //

SUBJECT: ALLEGATIONS CONCERNING U. S. SENATOR ALAN CRANSTON;
ET AL; CFPO-L; OO: PHOENIX/LOS ANGELES.

RE LOS ANGELES TELETYPE TO DALLAS, ET AL, 8/15/91.

ON 8/16/91, [REDACTED]

[REDACTED] FT. WORTH, TEXAS, ADVISED HE HAD SPOKEN WITH [REDACTED] WHO IS
CURRENTLY IN MAINE.

[REDACTED] INDICATED HE WOULD WILLINGLY FURNISH ALL DETAILS
REGARDING THIS MATTER BUT NECESSARY RECORDS AND DOCUMENTS TO

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58C-PX-41605-71

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SERIALIZED	FILED
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FBI - PHOENIX	

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REFRESH HIS MEMORY AND PROVIDE DETAILS ARE IN FT. WORTH.

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WILL RETURN TO FT. WORTH 8/26/91, AND AN FBI INTERVIEW IS
SCHEDULED WITH HIM FOR 8/27/91.

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FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 8/19/91

TO : SAC, LOS ANGELES (58C-PX-41605) (WCC4/SARA) (P)
 FROM : SAC, WMFO (58C-PX-41605) (C-9/NVMRA) (P)

ALLEGATIONS CONCERNING U.S. SENATORS
 ALAN CRANSTON, DENNIS D. DE CONCINI,
 JOHN GLENN, JOHN MC CAIN, DONALD REIGLE;
 CHARLES H. KEATING, JR., dba
 LINCOLN SAVINGS AND LOAN ASSOCIATION
 OF CALIFORNIA (LSL) AND AMERICAN
 CONTINENTAL CORPORATION (ACC),
 PHOENIX, ARIZONA;
 CORRUPTION OF FEDERAL PUBLIC
 OFFICIALS-LEGISLATIVE;
 OO: PX/LA

Re LA 6/12/91 tel to WMFO and WMFO facsimile to LA
 on 7/3/91.

Enclosed for Los Angeles are the original and two
 copies of the FD-302 of [redacted] and a 1A envelope
 containing related interview notes.

Enclosed for Phoenix are two copies of the FD-302 of
 the [redacted] FD-302 (for information).

This matter remains pending at WMFO.

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3-Los Angeles (encls. 1)
 ②-Phoenix (encls. 2)
 1-WMFO
 REA:rea
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58C-PX-41605-72

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AUG 26 1991	
[redacted] ENIX	

copy of
 enclosure.

Approved: _____ Transmitted _____ Per _____
 (Number) (Time)

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 7/3/91

[redacted] residence [redacted]
[redacted] Falls Church, Virginia, residence telephone
[redacted] date of birth [redacted] was interviewed in
the law offices of Perkins Cole, 607 Fourteenth Street, N.W.,
Suite 800, Washington D.C., where she was accompanied by attorney
[redacted] telephone number [redacted]
was advised of the official identities of the interviewing
Special Agents, and that the interview concerned fund raising for
United States Senator DONALD RIEGLE, particularly matters
relating to CHARLES KEATING. [redacted] then furnished the
following information:

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When asked about the opening of the Pontchartrain
Hotel, at Detroit, Michigan, on March 1, 1986, [redacted] stated
that she was aware that Senator RIEGLE attended the hotel's
opening. She did not know whether RIEGLE staffer [redacted]
attended.

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[redacted] association with RIEGLE began when she worked
on his 1982 re-election. When he won, he brought her to his
Senate staff. She worked [redacted] for a
number of years, and began to assume some of the fund raising
responsibility. [redacted]

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CHARLES KEATING became known to [redacted] in January,
1987. [redacted]

Investigation on 7/1/91 at Washington, D.C. File # 58C-PX-41605 Subc-100
by SA's [redacted] Date dictated 7/3/91

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58C-PX-41605

Continuation of FD-302 of [REDACTED]

, On 7/1/91, Page 2

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[REDACTED] did not know who offered to conduct the fund raiser. She did not have any reason to believe that it was solicited by RIEGLE or someone associated with him. Most people who held fund raisers volunteered to conduct them.

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[REDACTED] The standard process for identifying the date for such an event began with the staff's filling out a form, which listed the host, where it was to be held, dates that were convenient for the host and a target goal of money to be raised. [REDACTED] would look at the information and submit to [REDACTED] number of possible days for the event. [REDACTED] would contact the host, and a date was decided. [REDACTED] then submitted another form to [REDACTED] with this information. [REDACTED] believes that the originals of the forms related to the Hotel Pontchartrain event were submitted to the Senate Ethics Committee, as was the entire file that she kept.

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In making arrangements for the Hotel Pontchartrain fund raiser, for coordination with American Continental, [REDACTED] worked primarily with [REDACTED] was not available, [REDACTED] would deal with [REDACTED] CHARLES KEATING. [REDACTED] would pass on information, as needed. [REDACTED] never dealt directly with KEATING regarding arrangements for the fund raiser.

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When asked what events stood out in her mind regarding these matters in the January-March, 1987 time period, [REDACTED] cited [REDACTED] a trip by RIEGLE to Phoenix, Arizona, [REDACTED] RIEGLE was going to Phoenix for an unrelated, previously scheduled event, a New England Life honorarium. They scheduled a "stop by" around March 6, 7 or 10, at American Continental, since it was based in Phoenix and they were planning the March, 1987 fund raiser in Detroit. [REDACTED] asked [REDACTED] to plan the American Continental visit. [REDACTED] did not accompany RIEGLE on the trip, but [REDACTED] did. It appeared at the time to be a routine visit.

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[REDACTED] shipped lists of contributors' names to American Continental. Because the event was to be held in Michigan, the lists included names of previous donors, whom they hoped would attend. RIEGLE's office also furnished names of people to be "comped," being persons like public officials who would attend without paying. [REDACTED] assumed that the people

58C-PX-41605

Continuation of FD-302 of [REDACTED]

, On 7/1/91, Page 3

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whose names were furnished would be sent invitations. She thought that [REDACTED] wanted to know whom RIEGLE's office wanted invited.

[REDACTED] was involved in the preparation and submission of FEC (Federal Election Commission) reports regarding the contributions in question.

When asked whether information about the contributions put her on notice that the majority of the money came from people associated with CHARLES KEATING, and not from Michigan, [REDACTED] stated, "I was not alarmed by that." She stated that she had been doing fund raisers "for years," and when people agree to do a fund raiser, the first people that they go to for contributions are their employees and families. She added, "The only reason that any money came from Michigan was that the event was in Michigan."

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When asked how many times she had met with KEATING, [REDACTED] said one time, that she shook his hand, but did not "sit down in a room with him." The one meeting occurred when KEATING was waiting to see Senator RIEGLE, in the reception area of RIEGLE's office, and the receptionist called [REDACTED] to "chat" with him because she knew that [REDACTED] was working on the fund raiser. [REDACTED] introduced herself, saying something to the effect of, "I'm working with [REDACTED] We appreciate what you're doing. I'm here to help in any way that I can."

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All of [REDACTED] meetings with KEATING and [REDACTED] occurred at the Senate office. She did not attend the fund raiser at the Hotel Pontchartrain. She was "sort of a conduit between [REDACTED] or the Senator."

When [REDACTED] was out of town, [REDACTED] would drop off documents with [REDACTED] invited her out "for drinks," which she assumed were social invitations, and which she turned down. He also encouraged her to have dinner with him.

When asked whether they ever had any "closed door" meetings, [REDACTED] said that the closest thing would have been when he came into her office. [REDACTED] pointed out that she was not involved in legislative activities at all, and she never discussed items of substance, besides the fund raiser, with KEATING or [REDACTED] During telephone calls, [REDACTED] would

58C-PX-41605

Continuation of FD-302 of [REDACTED], On 7/1/91, Page 4

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occasionally start an explanation of some tangent, a topic not in her area, and she would "cut off" the topic. She stated that, if [REDACTED] had said anything of a substantive nature, she would have immediately referred him "to [REDACTED]." She was not in a position where she could have helped him.

[REDACTED] did not recall any discussions with anyone from American Continental, other than [REDACTED] or occasionally [REDACTED] when [REDACTED] was not available.

Neither [REDACTED] nor anyone else at American Continental or Lincoln Savings and Loan (LSL) ever discussed problems of LSL with [REDACTED] or asked her for assistance regarding such matters. She did not obtain knowledge of LSL's problems until she learned about them through the media.

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[REDACTED] did not attend a meeting between CHARLES KEATING and DONALD RIEGLE on January 28, 1987. She probably learned about it "right after it occurred." Documents in the file would show when she requested dates for the fund raising event. [REDACTED] has no additional knowledge about the meeting at which the fund raiser was discussed.

When asked when, if ever, she became aware of any request by LSL for RIEGLE's assistance with the Federal Home Loan Bank Board (FHLBB), [REDACTED] stated that she "knew [REDACTED] [REDACTED] was working on some of their requests," but she did not know what they were. She later learned things about such matters from the media. [REDACTED] was not present during the January 28, 1987 meeting and did not personally work on anything on behalf of KEATING, LSL or American Continental, except the Michigan fund raiser.

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When asked how much of the approximately \$95,000 raised at the Hotel Pontchartrain event came from family, associates and employees of CHARLES KEATING, [REDACTED] stated, "I just knew it was a good amount. Again, it didn't concern me. I had seen larger amounts contributed by family and employees. It didn't stand out." She stated that, if she had known that there were requests for action going on, "it might have concerned me." [REDACTED] repeated that she did not have a legislative function. When asked again about what part of the contributions came from affiliates of American Continental, [REDACTED] said that she would guess "a good sum" or "the bulk" of the contributions.

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58C-PX-41605

Continuation of FD-302 of [REDACTED], On 7/1/91, Page 5

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When asked whether she ever discussed the source of these funds with Senator RIEGLE, [REDACTED] or anyone else, [REDACTED] stated that "Some of the money was handed to me by the Senator." This would have been "money he would've received at the Pontchartrain." Thus, she assumed that he knew, but she does not know how much it was or the per cent of the total. [REDACTED] stated that "The checks indicated on the March 23 or 24 FEC report are most likely the ones RIEGLE brought back." She stated that the FEC report would also include any checks received that day in the mail.

[REDACTED] was asked what procedure was used for the preparation of FEC reports including the Pontchartrain contributions. She stated that, since it was not an election year, the report would not have been due until July 31. In determining contributors' employers, some checks would have a business card, or give the information on the response card. [REDACTED] provided a brochure with a list of holdings and affiliates.

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[REDACTED] typed a list and sent it to [REDACTED] and asked her to fill in the missing information in the blanks.

A company named Public Office Corporation maintains records of contributions for RIEGLE's office. All checks are copied and sent to Public Office Corporation, to their computer person, who adds them into the system. Just before the FEC report is due, [REDACTED] point of contact, [REDACTED] (last name not recalled) sends a printout to [REDACTED] who identifies "holes" regarding information and identifies contributions with particular events. She calls the host and gets other missing information.

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When asked whether [REDACTED] ever commented regarding any apparent problems, [REDACTED] said that she would occasionally note if a person was "over the limit." [REDACTED] would send a letter to the individual, requesting permission to put the excess funds (above the amount allowed for the primary election) toward the general election. The limit is \$1,000 for the primary, and \$1,000 for the general election. In the KEATING situation, the information was designated on most checks.

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In preparing the FEC reports, [REDACTED] handled all receipts, and [REDACTED] (phonetic) handled disbursements.

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Continuation of FD-302 of [REDACTED], On 7/1/91, Page 6

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[REDACTED] did not review the FEC reports, but could be consulted in their preparation. They are not required to be signed by the Senator, but are signed by the campaign treasurer. [REDACTED] does not know whether Senator RIEGLE saw the FEC reports. She stated, "We didn't submit them to him."

[REDACTED] knew that KEATING had raised money for other members of Congress. She said, "If I had been instructed to not accept money from employees and people associated with hosts, I would have probably had to turn back 75% of the money given. It was common in our organization, and I assumed it was in most. It was just routine."

The time when [REDACTED] met KEATING in RIEGLE's reception area was after the January meeting and before the Detroit fund raiser. She does not know why KEATING was there. Most hosts would meet with the Senator before the event if they were in Washington for other events. Thus, KEATING's visit was not unusual.

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[REDACTED] had no contact with [REDACTED] during the 1987-1988 period, first meeting her in 1989, at the Democratic Senate Campaign Committee. [REDACTED] has never spoken to [REDACTED] about any impropriety by CHARLES KEATING or his associates.

[REDACTED] has never met or spoken with [REDACTED]

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[REDACTED] was asked whether she had ever spoken with any staff member or other representative of Senators DECONCINI, MC CAIN, or GLENN regarding KEATING, American Continental or LSL. She stated that she talked with [REDACTED] regarding the logistics of RIEGLE's Phoenix trip. [REDACTED] was picking up Senator RIEGLE. Because of a note in file, [REDACTED] thinks that she called [REDACTED] calling Senator MC CAIN's office to set up a meeting with RIEGLE. However, without the note, she does not recall the reason for the call.

[REDACTED] was not aware of any problems relating to CHARLES KEATING until she read about things in the newspaper.

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[REDACTED] knew that [REDACTED] was in and out a lot, trying to see [REDACTED], in the first half of 1987. She did not hear the subject matter discussed in these visits. For the

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Continuation of FD-302 of [REDACTED]

, On 7/1/91, Page 7

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first couple of months, she assumed that it had to do with the fund raiser. She does not recall being aware of any problems.

[REDACTED] was not aware of any function by Senator RIEGLE in arranging an April 2, 1987 meeting among [REDACTED] and several Senators, nor a related meeting on April 9, 1987.

[REDACTED] answered in the negative when asked about knowledge of any efforts to assist KEATING or his interests in relation to the Internal Revenue Service's "qualified lender test" or the FHLBB's regulation of "direct investments."

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DE FBIDL #0004 2350915

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FM FBI DALLAS (58C-PX-41605) (P)

TO DIRECTOR FBI/ROUTINE/

FBI LOS ANGELES/ROUTINE/

FBI PHOENIX/ROUTINE/

BT

UNCLAS

CITE: //3190:4840 //

SUBJECT: ALLEGATIONS CONCERNING U.S. SENATOR ALAN CRANSTON;
ET AL; CFPO - L; OO: PHOENIX/LOS ANGELES.

RE DALLAS TELETYPE TO DIRECTOR 8/17/91.

ON 8/22/91, [REDACTED]

[REDACTED] FORT WORTH, TEXAS, ADVISED [REDACTED] HAD CALLED AND REQUESTED
INTERVIEW DATE BE CHANGED TO 9/5/91, BECAUSE OF [REDACTED] ONE WEEK
DELAY IN RETURNING TO FORT WORTH.

UAC, INTERVIEW WITH [REDACTED] WILL BE CONDUCTED ON

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58C-PX-41605-73

SEARCHED	INDEXED
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AUG 23 1991	
FBI - PHOENIX	

Bumpers (P)

PAGE TWO DE FBIDL 0004 UNCLAS

9/5/91 AT FORT WORTH DUE TO NECESSITY HE REFER TO DOCUMENTS IN
FORT WORTH.

BT

#0004

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0009 MRI 01539

RR FBILA FBIPX

DE FBICI #0012 2382222

ZNR UUUUU

R 262138Z AUG 91

FM FBI CINCINNATI (58C-PX-41605) (P)

TO FBI LOS ANGELES (58C-PX-41605) (SARA)/ROUTINE/

FBI PHOENIX (58C-PX-41605)/ROUTINE/

BT

UNCLAS *DPK*

CITE: //3160//

SUBJECT: ALLEGATIONS CONCERNING U. S. SENATORS ALAN CRANSTON,
ET AL. CORRUPTION OF FEDERAL PUBLIC OFFICES-LEGISLATIVE.
OO:PHOENIX/LOS ANGELES.

RE LOS ANGELES TELETYPE TO BUREAU, AUGUST 15, 1991.

FBI CINCINNATI HAS MADE A REQUEST TO INTERVIEW

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AMERICAN FINANCIAL

CORPORATION, CINCINNATI, OHIO, CONCERNING THE EXTENT AND
NATURE OF HIS INVOLVEMENT WITH U. S. SENATOR ALAN CRANSTON
AND CRANSTON'S STAFF. GENERAL COUNSEL FOR AMERICAN FINANCIAL

58C-PX-41605-74

	SEARCHED <i>6</i>
	SERIALIZED <i>W</i>
	AUG 28 1991
	FBI - PHOENIX

ACD

PAGE TWO DE FBICI 0012 UNCLAS

CORPORATION, HAS ADVISED THAT RESEARCH OF THIS MATTER SHOULD
BE COMPLETED WITHIN THE NEXT TWO WEEKS AND THAT WOULD
CONSIDER GRANTING SUCH AN INTERVIEW AT THAT TIME.

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THE ABOVE IS BEING SUBMITTED FOR THE INFORMATION OF
RECEIVING OFFICES.

BT

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SSCT/41605-75

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 30 1991	

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**COVERSHEET
FBI FACSIMILE
LOS ANGELES DIVISION
SANTA ANA RA**

PRECEDENCE

- ☐ IMMEDIATE
☐ PRIORITY
☒ ROUTINE

CLASSIFICATION

- ☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ SENSITIVE
☒ UNCLASSIFIED

TIME TRANSMITTED _____

SENDER'S INITIALS _____

NUMBER OF PAGES 3TO: SAC, PHOENIX (58C-PX-41605)DATE: 8/29/91

FACSIMILE NUMBER: _____

ATTN: SA FROM: SAC, LOS ANGELES (58C-PX-41605) (SARA)SUBJECT: ALAN CRANSTON, et alSPECIAL HANDLING INSTRUCTIONS: SE HAND CARRY TOORIGIN: 'S NAME: SA ORIGINATOR'S FACIMILE NUMBER: (714) 542-8825

APPROVED: _____

b6
b7C

FD-36 (Rev. 8-29-85)

FBI

TRANSMIT VIA:

☒ Teletype
☒ Facsimile
☐

PRECEDENCE:

☐ Immediate
☐ Priority
☒ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☒ UNCLAS

Date 8/29/91

FM FBI LOS ANGELES (58C-PX-41605) (SARA) (P)
TO FBI SACRAMENTO/ROUTINE/
FBI PHOENIX/ROUTINE/

BT

UNCLAS

SUBJECT: ALLEGATIONS CONCERNING U.S. SENATORS ALAN CRANSTON,
DENNIS DECONCINI, JOHN GLENN, JOHN MCCAIN, DONALD RIEGLE;
CHARLES H. KEATING, JR., DBA LINCOLN SAVINGS AND LOAN
ASSOCIATION, IRVINE, CALIFORNIA, AND AMERICAN CONTINENTAL
CORPORATION, PHOENIX, ARIZONA; CORRUPTION OF FEDERAL PUBLIC
OFFICIALS - LEGISLATIVE; OO: PHOENIX/LOS ANGELES.

RE SANTA ANA SA [REDACTED]

TELCALL TO SACRAMENTO SRA

[REDACTED] ON 8/28/91.

AS DISCUSSED IN REFERENCED TELCALL, LOS ANGELES SA'S [REDACTED]

[REDACTED] INTEND TO TRAVEL TO MODESTO,

JAJ/clm

Approved: LEG/ndc

Transmitted

(Number) (Time)

Per

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CALIFORNIA, ON 8/30/91, FOR THE PURPOSE OF CONDUCTING AN INTERVIEW IN CAPTIONED MATTER. PLANNED INTERVIEW IS OF ERNEST GALLO, E AND J GALLO WINERY, 600 YOSEMITE BOULEVARD, MODESTO, CALIFORNIA. GALLO WILL BE INTERVIEWED IN CONNECTION WITH THE \$300,000 THAT HE CONTRIBUTED IN 1987-89 TO VOTER REGISTRATION GROUPS AFFILIATED WITH SENATOR ALAN CRANSTON.

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SACRAMENTO SA [REDACTED] WILL ASSIST IN THE INTERVIEW.

SAC SACRAMENTO AND SAC LOS ANGELES CONCUR WITH PROPOSED TRAVEL.

BT

/READ /REF 6
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DE FBICI #0010 2412125

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R 292105Z AUG 91

FM FBI CINCINNATI (58C-PX-41605) (P)

TO FBI LOS ANGELES (58C-PX-41605) (SARA)/ROUTINE/

FBI PHOENIX (58C-PX-41605)/ROUTINE/

BT

UNCLAS E F T O *CU*

CITE: //3160//

SUBJECT: ALLEGATIONS CONCERNING U.S. SENATORS ALAN CRANSTON;
ET AL; CORRUPTION OF FEDERAL PUBLIC OFFICIALS - LEGISLATIVE.

OO: PHOENIX/LOS ANGELES.

RE LOS ANGELES TELETYPE TO CINCINNATI DATED AUGUST 15,
1991, AND CINCINNATI TELETYPE TO LOS ANGELES DATED AUGUST 26,
1991.

ON AUGUST 26, 1991, [REDACTED]
AMERICAN FINANCIAL CORPORATION, PROVIDENT TOWER, 1 EAST FOURTH
STREET, CINCINNATI, OHIO 45202, WAS CONTACTED PURSUANT TO

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58-PX-41605-76

SEARCHED <i>SL</i>	INDEXED <i>SL</i>
SERIALIZED <i>SL</i>	FILED <i>SL</i>
AUG 29 1991	

[Handwritten signature]

[REDACTED]

PAGE TWO DE FBICI 0010 UNCLAS E F T O

REFERENCED LOS ANGELES TELETYPE TO CINCINNATI, AUGUST 15, 1991.

LINDNER ADVISED THAT HE HAS KNOWN U.S. SENATOR ALAN CRANSTON CASUALLY FOR MANY YEARS BASED UPON PASSING CONTACTS AT VARIOUS PUBLIC AND SEMI-PUBLIC FUNCTIONS. HE INDICATED THAT THEY NEITHER WERE NOR ARE PERSONAL FRIENDS.

HE ADVISED THAT NEITHER HE NOR TO HIS KNOWLEDGE HIS STAFF HAS EVER HAD OCCASION TO CONTACT CRANSTON OR HIS STAFF WITH REGARD TO ANY LEGISLATIVE OR REGULATORY MATTERS RELATED TO AMERICAN FINANCIAL CORPORATION.

NEITHER CRANSTON NOR HIS STAFF HAVE EVER PRESSURED OR OTHERWISE ATTEMPTED TO COERCE [REDACTED] OR AMERICAN FINANCIAL CORPORATION TO MAKE POLITICAL CONTRIBUTIONS.

[REDACTED] ACKNOWLEDGED THAT AMERICAN FINANCIAL CORPORATION MADE A \$25,000.00 CONTRIBUTION BY CHECK TO THE FORUM INSTITUTE ON OR ABOUT MAY 26, 1988. THIS CONTRIBUTION IS CONSIDERED BY [REDACTED] TO BE A SOFT MONEY POLITICAL CONTRIBUTION INASMUCH AS IT WAS HIS UNDERSTANDING THAT THE MONEY WOULD BE UTILIZED FOR "GET OUT THE VOTE" OR VOTER REGISTRATION OBJECTIVES. HE UNDERSTOOD THAT THE FORUM INSTITUTE WAS ASSOCIATED WITH CRANSTON IN SOME UNRECALLED AND UNSPECIFIED WAY. HE RECALLS

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PAGE THREE DE FBICI 0010 UNCLAS E F T O

OBTAINING THIS INFORMATION ABOUT AND THE SOLICITATION TO
CONTRIBUTE TO THE FORUM INSTITUTE FROM AN UNRECALLED FEMALE
ASSOCIATE OF CRANSTON.

[REDACTED] ADVISED THAT HE WAS UNFAMILIAR WITH THE NAMES
[REDACTED]

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[REDACTED] COMMENTED THAT HE AND/OR AMERICAN FINANCIAL
CORPORATION RECEIVE APPROXIMATELY 10 TO 15 SOLICITATIONS PER
DAY FOR CONTRIBUTIONS AND DONATIONS.

[REDACTED] INITIALLY ALLUDED TO THE EXISTENCE OF A FILE AT
AFC WHICH CONTAINED INFORMATION CONCERNING POLITICAL
CONTRIBUTIONS MADE BY AFC AND/OR [REDACTED] WHEN [REDACTED] WAS
IMMEDIATELY ADVISED BY THE AFC [REDACTED]
THAT EFFORTS TO LOCATE SUCH A FILE HAD NOT BEEN SUCCESSFUL,

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[REDACTED] RESPONDED

THAT THE ONLY RECORD FOR SUCH CONTRIBUTIONS MAY BE THE
CANCELLED CHECKS. [REDACTED] AUTHORIZED EVANS TO PROVIDE TO THE
FBI A COPY OF THE CANCELLED CHECK MADE PAYABLE TO THE FORUM
INSTITUTE DESCRIBED ABOVE.

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[REDACTED] ADAMANTLY DENIED THAT THERE WAS ANY CONNECTION
BETWEEN CHARLES H. KEATING, JR. AND THE ABOVE DESCRIBED

PAGE FOUR DE FBICI 0010 UNCLAS E F T O
CONTRIBUTION TO THE FORUM INSTITUTE.

UPON RECEIPT, A COPY OF THIS CHECK WILL BE FORWARDED TO
LOS ANGELES AND PHOENIX.

AIRTEL AND FD-302 TO FOLLOW.

BT

#0010

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FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 9/12/91

TO : SAC, LOS ANGELES (58C-PX-41605) (SARA)
 FROM : SAC, SPRINGFIELD (58C-PX-41605) (RUC)
 SUBJECT : ALLEGATIONS CONCERNING U.S. SENATORS
 ALAN CRANSTON, DENNIS DECONCINI,
 JOHN GLENN, JOHN MC CAIN, DONALD RIEGLE;
 CHARLES H. KEATING, JR., dba Lincoln
 Savings and Loan Association, Irvine, California,
 and American Continental Corporation,
 Phoenix, Arizona
 CORRUPTION OF FEDERAL PUBLIC OFFICIALS-LEGISLATIVE
 OO: PX/LA

Re LA tel, 8/15/91, and SI telcals of SA [redacted]
 [redacted] Decatur, IL RA, to LA SA [redacted]

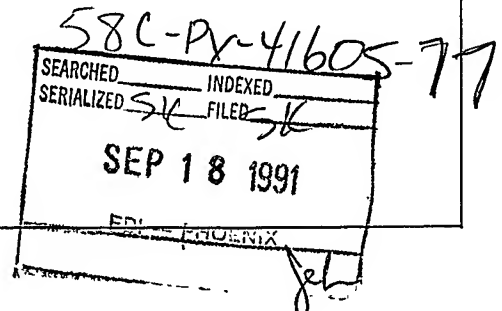
Enclosed for Los Angeles are two copies of an
 FD-302 reflecting interview of [redacted]
 [redacted] ARCHER DANIELS MIDLAND COMPANY, Decatur, Illinois; two
 copies of an insert regarding information furnished by [redacted]
 [redacted] and one FD-340 containing computer printouts
 reflecting disbursements by ADM.

Enclosed for Phoenix are two copies of an FD-302
 reflecting interview of [redacted] described above; the
 original and two copies of an insert regarding information
 furnished by [redacted] and one FD-340 containing
 computer printouts reflecting disbursements by ADM.

- 2 - Los Angeles (58C-PX-41605) (Encls. 5)
- ② - Phoenix (58C-PX-41605) (Encls. 6) *6b*
- 1 - Springfield (58C-PX-41605)

BDS/ksy
 (5)

1*



Approved: _____ Transmitted _____ Per _____
 (Number) (Time)

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58C-DX-41605-78

SEARCHED	INDEXED
SERIALIZED <i>SK</i>	FILED <i>SK</i>
SEP 18 1991	
— PHOENIX	

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/12/91

[redacted] ARCHER DANIELS
MIDLAND COMPANY (ADM), 4666 Faries Parkway, telephone [redacted]
was interviewed regarding his knowledge of contributions made to any
of the following entities: AMERICAVOTES, USA VOTES, FORUM INSTITUTE,
or the CITIZENS PARTICIPATION PROJECT: THE MISSING HALF, also the
nature of any contacts between he and United States Senator ALAN
CRANSTON. [redacted] was aware of the identity of the interviewing Agent
and was advised of the nature of the interview. [redacted] furnished the
following information:

[redacted] advised that the initial contribution/donation of
\$50,000 was made in response to a request by an unknown individual or
individuals at attendance in a meeting of a group of democrats in
Washington, D.C., in 1986. [redacted] advised that he made an equal
contribution to the republicans in 1986. [redacted] said that he had
difficulty in recalling specifically who made the request because he
is constantly asked by various people to make contributions to a
variety of organizations. [redacted] did recall that the purpose of this
donation/contribution was to assist in voter registration.

[redacted] said that after making the initial donation/
contribution, he continued to make annual contributions/donations, as
he felt that the purpose of the organization was beneficial in
assisting in voter registration.

[redacted] said that he has had no personal contact with any
particular individual for soliciting the contributions, and that the
administrative part of issuing the checks and following up on the
contributions/donations are delegated to [redacted]
[redacted]

Regarding United States Senator ALAN CRANSTON, [redacted] said
that he is acquainted with CRANSTON, but has absolutely no
relationship with any United States senator. [redacted] was shown a
photocopy of a letter, dated May 4, 1988, and signed by ALAN CRANSTON,
and [redacted] said that he had an accidental meeting with CRANSTON on
one occasion, while in the subway between other parts of Washington,
D.C., and Capitol Hill, and that he and CRANSTON went to CRANSTON's

Investigation on 9/3/91 at Decatur, Illinois File # SI 58C-PX-41605

by SA [redacted] ksy Date dictated 9/5/91

DWAYNE ANDREAS

SI 58C-PX-41605

2

office and at that time, CRANSTON asked him [] if he could assist in expediting the release of two Jewish people from the Union of Soviet Socialist Republics (USSR). [] said that he met with CRANSTON in his outer office on that occasion. [] said that as a result of CRANSTON's request, [] sent some material that he had at his office of the USSR Trade and Economic Council regarding the Soviet Union. [] advised that the above-described occasion was the only time he personally met with CRANSTON outside of group meetings with him while in Washington.

Regarding the contributions/donations, [] explained again that after making the initial contribution/donation, he had the organizations reviewed by ADM attorneys, who told him that the organizations were legitimate and thereafter, [] decided to contribute on an annual basis.

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58C-PX-41605-79

SEARCHED	INDEXED
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SEP 18 1991	
FBI <i>85</i>	

SI 58C-PX-41605

BDS/ksy

1

The following investigation was conducted by Special Agent (SA) [REDACTED] at Decatur, Illinois:

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On August 22, 1991, [REDACTED] ARCHER DANIELS MIDLAND COMPANY (ADM), 4666 Faries Parkway, advised that he assists in the administrative process of making contributions as authorized by [REDACTED] said that he recalled the organization AMERICAVOTES and thought it was associated with the White House and was supported by President REAGAN.

[REDACTED] explained that all contributions made are maintained on the ADM computer files. [REDACTED] attempted to find the contribution to AMERICAVOTES in 1986, but was unable to. [REDACTED] was furnished with the names AMERICAVOTES, VOTE AMERICA, the CITIZENS PARTICIPATION PROJECT: THE MISSING HALF, and USA VOTES. [REDACTED] advised that he would search the computer for entries made regarding these organizations.

On August 28, 1991, SA [REDACTED] received a computer printout regarding donations made by ADM via United States mail from [REDACTED]

original sent 1041Q 8/5/95
w/1100

58C-PX-4160580

SEARCHED.....	INDEXED.....
SERIALIZED <u>SK</u>	FILED <u>SK</u>
SEP 26 1991	
FBI — PHOENIX	

[Signature]

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/12/91

[redacted] white male, born [redacted] was interviewed at the BASS SECURITY OFFICE at 6000 Western Place, Suite 475. [redacted] advised that his main office is 201 Main Street, Fort Worth, Texas.

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[redacted] who was interviewed in the presence of his attorney [redacted] telephone [redacted] was advised of the identity of the interviewing agents and that he was being contacted in regards to an investigation of Senator ALAN CRANSTON and matters relating to contributions and actions by Senator CRANSTON and others.

[redacted] advised that many people [redacted] have been involved with the purchase of AMERICAN SAVINGS (AS) in California but that the two primary persons involved were [redacted] who was actually the lead man in the AS transaction and [redacted] of the firm WILLIAM AND JENSON, Washington, D.C. Besides these two, [redacted] himself was actively involved in arranging the purchase of AS.

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[redacted] explained in the midst of the AS transaction he paid courtesy calls on two or three occasions with Senator [redacted] and other representatives in Washington who were connected with or members of the banking committee. He had a few telephone calls with Senator CRANSTON and also engaged in written communications with him; mainly with the emphasis of keeping Senator CRANSTON informed of the status of the negotiations. Some of these letters went out under [redacted] signature but were compiled and written by others on his staff. [redacted] primarily dealt with Senator CRANSTON but members of [redacted] staff dealt with other members of Senator CRANSTON's staff, the full details and extent of which is unknown.

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[redacted] recalled that Senator CRANSTON expressed "extreme pleasure" that [redacted] was interested in this purchase, but Senator CRANSTON never promised anything specific, rather expressing an interest in the well being of the employees of AS. Senator CRANSTON was interested in [redacted] pledge to keep the 2,000 AS employees on the payroll in Stockton, California. Senator

Investigation on 9/11/91 at Fort Worth, Texas File # 58C-PX-41605
by SA [redacted] smf Date dictated 9/11/91

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58C-PX-41605

Continuation of FD-302 of [REDACTED]

, On 9/11/91, Page 2

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CRANSTON never mentioned speaking with anyone on their behalf during his contacts with Senator CRANSTON or during this transaction. Senator CRANSTON's focus was mainly inquiring as to how [REDACTED] was doing on putting the deal together. It was obvious Senator CRANSTON wanted to be knowledgeable of the situation.

[REDACTED] is aware of nothing Senator CRANSTON did to facilitate that transactions and specifically knows of no discussions CRANSTON may have had with the Federal Home Loan Bank Board (FHLBB) or anyone else, in any effort to help them. [REDACTED] said that he is unsure, in that he does not really know, whether he actually needed Senator CRANSTON's help or not in order to finalize his purchase. He knows that he did not ask Senator CRANSTON to do anything for them but he admitted he can not answer the question of whether anyone on his staff may have asked CRANSTON or anyone on his staff to assist them. In any case he does not know of any such request.

Senator CRANSTON did not solicit any contributions for anything and specifically not for any committee or any campaign. No one asked him on Senator CRANSTON's behalf to contribute to anything. There was no hint that anything could be done to help them if any contribution was made.

[REDACTED] does not know and has never heard of [REDACTED] and has never heard of an organization by the name USA VOTES or AMERICA VOTES. He has never heard of NEW DIMENSION RESOURCES and categorically denied that in 1988 or any other time did he make a \$150,000 contribution to USA VOTES or AMERICA VOTES. He has made no contributions to Senator LLOYD BENTSON and he certainly has not distributed any funds to any organization or committee "via BENTSON". He has not given \$100,000 to Senator BENTSON for any collection in regards to any cause.

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[REDACTED] does not know and has never heard of [REDACTED] or [REDACTED] FORUM INSTITUTE and ORGANIZING INSTITUTE are totally unknown to him. He has never heard of [REDACTED] and stated that he has read about [REDACTED] but up until then was never aware that Senator CRANSTON [REDACTED] and has never met [REDACTED]. He commented that he has never heard of the CENTER FOR PARTICIPATION IN DEMOCRACY but he is aware of an organization by the name of SOUTHWEST VOTERS REGISTRATION PROJECT (SVRP).

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58C-PX-41605

Continuation of FD-302 of [REDACTED]

, On 9/11/91, Page 3

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... [REDACTED] continued that he has known about SVRP for several years, dating back to before 1988. Several people have recommended it to him and have spoken highly of it. Specifically Senator LLOYD BENTSON spoke highly of it and Senator ALAN CRANSTON, as well as DIANE FEINSTEIN who is also a personal friend. [REDACTED] has contributed approximately \$200,000 to \$250,000 to that organization.

In regards to Senator CRANSTON speaking highly of the organization, he recalls that in mid to late 1988 Senator CRANSTON asked him to consider helping that organization and [REDACTED] told him that he "already was" explaining that he meant that he was already considering helping them at that time. It did not sound to [REDACTED] like Senator CRANSTON was aware of his already existant interest in that organization, but this comment was made during small talk. He said that he can not exactly say how this came up in the conversation but his best recollection is that it was along the lines of the fact that the SVRP does "real good work" and were "worthy of help". CRANSTON did not directly ask him to contribute and CRANSTON did not discuss his own role or participation, if any, in that organization.

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[REDACTED] knows that the headquarters for SVRP is in San Antonio and he knows that any contributions he made to them went directly to their headquarters in San Antonio and not through Senator BENTSON. When this organization was recommended to him, he had his staff do "due diligence" on the organization. He found the organization to be well run and worthy of his support, explaining that the organization works to register voters in the Rio Grande area of South Texas across the southern part of the U.S. to Southern California. He believes they work primarily in the Hispanic community with people who would otherwise be disenfranchised. They also file law suits in situations in which voters registration is impeded.

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When Senator CRANSTON mentioned this organization, [REDACTED] was already in the process of doing the due diligence and his subsequent contribution to that organization had nothing to do with Senator CRANSTON's request. [REDACTED] made subsequent contributions and Senator CRANSTON never followed up and asked later about the contributions. He can recall only one time when this was ever mentioned by Senator CRANSTON, and no dollar figures were ever discussed with him. He was not asked to send any check to Senator CRANSTON nor was he asked to make any check

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58C-PX-41605

Continuation of FD-302 of [REDACTED]

, On 9/11/91, Page 4

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payable to USA VOTES.

[REDACTED] was questioned regarding an alleged telephone discussion with Senator CRANSTON on March 9, 1989, and [REDACTED] stated that he cannot recall that conversation and specifically cannot recall whether or not there was any such conversation. He knows that when he started doing the due diligence, he was having trouble getting information and at about that time the executive director of that organization died. He does not recall expressing any frustration to CRANSTON nor asking for any report from CRANSTON or SVRP. This information may or may not be accurate, but he at any rate does not recall it. Senator CRANSTON mentioned no other organizations other than this one during any conversations with him and [REDACTED] never made any contributions to any organization he knows of connected in any way with Senator CRANSTON. [REDACTED] who has a large family in the Fort Worth area, commented that he did not know if anyone else in the [REDACTED] network of families made any contributions, but he is not aware of all contributions made.

[REDACTED] described SVRP as a "501" (C) 3 organization, which is a charitable organization.

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[REDACTED] was questioned regarding a letter dated February 5, 1988 from Senator CRANSTON to the FHLBB, and he stated he has never heard of this letter written by CRANSTON. [REDACTED] had talked with the FHLBB over a few years regarding a number of financial institutions and in April 1988 the FHLBB agreed to negotiate exclusively with [REDACTED] regarding the purchase of AS. He believes he first talked to CRANSTON's office in April of 1988 and it is likely the letter was written before he ever talked to Senator CRANSTON regarding the deal. The closing of the AS purchase was on December 28, 1988 and on January 28, 1989 he threw a big party at five locations in California, linked by satellite video, in order to celebrate with all the employees of AS, whose jobs had been saved. He invited both Senators and both Congressman to the parties. He engaged in no private signing with [REDACTED] although [REDACTED] showed up for the FHLBB on January 28, 1991. [REDACTED] was not personally there for the closing, the signing on December 28, 1988, although he advised that by that time he had signed a large stack of papers. He stated that Senator CRANSTON was not there, for the signing, and he does not believe Senator CRANSTON came to the January 28, 1989 party. [REDACTED] did come to that party. The FINANCIAL CORPORATION OF

58C-PX-41605

Continuation of FD-302 of [REDACTED]

, On 9/11/91, Page 5

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AMERICA (FCA) was the former parent company of AS, but [REDACTED] dealt directly with the Federal government who took AS from FCA in 1984.

[REDACTED] has never heard of an organization called the "Missing Half" and does not recall CRANSTON ever mentioning the Democratic Senatorial Campaign Committee although he has heard of this organization separately. He has never heard of [REDACTED] nor has he heard of the Committee for Democratic Consensus. He has had no connection with Senator CRANSTON regarding any other organization and he is totally unfamiliar with any Super Bowl fund raising events. He has had no discussions with Senator CRANSTON or anyone regarding "soft money" and has never heard of [REDACTED] [REDACTED] has heard of [REDACTED] and in fact believes he met her on one occasion. She did not discuss any contributions or offer any help from the government in regards to any situation.

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[REDACTED] does not know CHARLES KEATING and has never had any conversations with him. [REDACTED] was asked regarding any discussions he may have had with Senators DENNIS DECONCINI, JOHN GLENN, JOHN MCCAIN or DONALD RIEGLE. [REDACTED] stated he has had no direct contact with them and has had no direct or indirect solicitations of money by any of them. He stated that no one from the Federal government, elected or appointed, has asked anything of him in connection with the purchase of AS. He explained that the banking committee has no role other than oversight, in regards to his purchase, and no committee vote is required. He dealt directly with the FHLBB and knows of no direct role Senator CRANSTON had in the purchase, except as a member of the banking committee. He has never heard of Senator CRANSTON talking to anyone on his behalf, although he may or may not have. He also commented that anything CRANSTON did may have been in pursuit of his duties on the banking committee.

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FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 9/12/91

TO : SAC, LOS ANGELES (58C-PX-41605) (SARA)
 FROM : SAC, DALLAS (58C-PX-41605) (FWRA) (P)
 SUBJECT : ALLEGATIONS CONCERNING U.S. SENATORS
 ALAN CRANSTON,
 DENNIS DECONCINI,
 JOHN GLENN,
 JOHN MCCAIN,
 DONALD RIEGLE;
 CHARLES H. KEATING, JR,
 DBA LINCOLN SAVINGS AND LOAN ASSOCIATION,
 IRVINE, CALIFORNIA,
 AND AMERICAN CONTINENTAL CORPORATION,
 PHOENIX, ARIZONA;
 CORRUPTION OF FEDERAL PUBLIC OFFICIALS-LEGISLATIVE;
 OO: PHOENIX

Re Los Angeles teletype to Dallas, ET AL, 8/15/91.

Enclosed for Los Angeles are an original and one copy of an FD-302 with interview notes reflecting interview with [REDACTED] on 9/11/91 at Fort Worth, Texas. Enclosed for Phoenix are two copies the same FD-302.

[REDACTED] attorney [REDACTED] who was present during the interview reflected in the enclosed FD-302, advised he would research company records to confirm that there was no contribution to U.S.A votes, as well as any other records which might be pertinent to that inquiry.

2 - Los Angeles (Enc. 3)
 ② - Phoenix (Enc. 2)
 2 - Dallas
 CBB/smf
 (6)

58C-PX-41605-81

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1991	
FBI - PHOENIX	

Approved: _____ Transmitted _____ Per _____
 (Number) (Time)

b6
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58C-PX-41605

LEADS:

DALLAS DIVISION:

AT FORT WORTH, TEXAS:

Will maintain contact with Attorney [redacted]
telephone [redacted] in order to obtain and review any records
produced reflecting contributions of [redacted]
[redacted]

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58C-PX-41605.82

SEARCHED	INDEXED
SERIALIZED	FILED
OCT 17 1991	
FBI - PHOENIX	

HW

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FEDERAL BUREAU OF INVESTIGATION

- 1 -

Date of transcription 9/19/91

On September 17, 1991, [redacted] [redacted] GOLDMAN SACHS AND COMPANY (GSC), 85 Broad Street, New York (NY), NY, was interviewed at his place of employment. Also present for the interview was [redacted] Attorney, WACHTELL, LIPTON, ROSEN & KATZ, 299 Park Avenue, NY, NY 10171-0149. [redacted] was advised of the identity of the interviewing Agents and the nature of the interview. [redacted] voluntarily provided the following information:

[redacted] gave his positions with GSC from 1985 to the present. In 1985, [redacted] was [redacted] while on this committee, [redacted] was responsible for [redacted]

[redacted] also provided a background on his involvement with the Democratic party. In 1972, [redacted] introduced [redacted] to [redacted] a Democratic party fund-raiser. The introduction came after [redacted] expressed to [redacted] a desire to get active in politics. [redacted] took a week off from work to assist [redacted] and thus began his fund-raising activities.

[redacted] became very active in Democratic fund raising and noted several fund raising accomplishments including 1983 Chairman of the Democratic Congressional Campaign Dinner, 1984 New York Finance Chairman for WALTER MONDALE, and although he was not sure if he had a title, [redacted] was quite active in the 1988 DUKAKIS fund-raising.

[redacted] pointed out that being a Democrat in his industry is unusual. [redacted] political roots come from his grandfather who was active in the Democratic Party in Brooklyn. [redacted] enjoys the challenge of participating in presidential campaigning and is concerned about the mounting national debt.

[redacted] is not sure of the exact date he met Senator ALAN CRANSTON but [redacted] got to know CRANSTON well while performing his

Investigation on 9/17/91 at New York, New York File # 58C-PX-41605

by SAs [redacted]

Date dictated 9/18/91

58C-PX-41605

Continuation of FD-302 of [REDACTED]

, On 9/17/91, Page 2

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duties as the Dinner Chairman in 1982. CRANSTON was the most active senator in assisting [REDACTED] fund-raising for the Dinner.

[REDACTED] stated that since 1982, he gets a call at least once a year from CRANSTON for a contribution to his or a colleague's campaign.

In February, 1988, [REDACTED] traveled to Washington, DC, to lobby approximately eight senators on a Banking Bill. [REDACTED] may have lobbied with [REDACTED] of GSC's Washington office and [REDACTED]. The proposed Banking Bill would have adversely impacted GSC by negating the law created by the Glassteagal (phonetic) Legislation of the 1930's. Glassteagal, according to [REDACTED] keeps commercial banks and investment banks in separate lines of business GSC does not want GLASSTEAGAL repealed or superceded because commercial banks would enter into GSC's line of work.

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[REDACTED] had CRANSTON on his list of senators to lobby but did not get to see CRANSTON on that day in Washington, DC, in February, 1988. [REDACTED] may have spoke to an aide of CRANSTON's on the matter, but could not recall exactly whether he did or did not speak to an aide.

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[REDACTED] stated that he does not keep a diary and his secretary could not locate his 1988 calendar. [REDACTED] secretary did find the 1989 and 1990 calendars.

[REDACTED] recalled making a \$100,000.00 contribution to the Forum Institute in late April, 1988. At some point prior to the contribution and after the lobbying trip to Washington, DC, [REDACTED] could not specifically recall the date, CRANSTON came to see [REDACTED] to request the contribution. [REDACTED] does not remember who set up the meeting. [REDACTED] was at the meeting. [REDACTED] knows [REDACTED] but does not recall if she was at the meeting. Although the meeting may have been in February, 1988, [REDACTED] does not recall talking to CRANSTON about Glassteagal and doubts very much that he did talk to CRANSTON about the Banking Bill.

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[REDACTED] recollected discussions about CRANSTON's "get out the vote" campaign and the tax deductible nature of the contribution. [REDACTED] intended to raise part of the money and contribute the rest. [REDACTED] did not move on the pledge

58C-PX-41605

Continuation of FD-302 of [REDACTED]

, On 9/17/91, Page 3

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immediately. Eventually, [REDACTED] made the contribution with his own money. [REDACTED] stated that the meeting may have been in February, 1988. It would not have been out of the ordinary for CRANSTON's aides to contact [REDACTED] regarding the pledge inasmuch as they were good fund-raisers.

[REDACTED] did not feel pressured or compelled to make the donation. [REDACTED] did not give the contribution in exchange for a benefit to him or GSC. [REDACTED] believes that CRANSTON favored the Banking Bill which was going against GSC's lobbying efforts. [REDACTED] did think that the contribution would highlight his status within the Democratic party and strengthen his chances to be more involved in the DUKAKIS Campaign.

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CRANSTON and [REDACTED] have had some contact since the \$100,000.00 contribution. In 1990, CRANSTON was in NY and met [REDACTED] for a drink. CRANSTON was going to cut fund-raising until the KEATING matter was worked out.

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About 2-3 weeks ago, CRANSTON and [REDACTED] traded phone calls. The Federal Bureau of Investigation (FBI) called and requested to meet [REDACTED] then called CRANSTON. CRANSTON was not surprised that [REDACTED] was to be interviewed. CRANSTON wanted a contribution for the Western Pennsylvania Democratic Senatorial Candidate.



58C-PX-41605-83

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SEARCHED	INDEXED
SERIALIZED <i>31</i>	FILED <i>31</i>
OCT 17 1991	
FBI - PHOENIX	

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- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/20/91

[redacted]
of JENNESSEN ASSOCIATES, 237 Park Avenue, New York, New York (NY), was interviewed by Special Agents (SAs) [redacted] and [redacted] of the Federal Bureau of Investigation (FBI), at his place of business. After being advised of the identity of the interviewing Agents and the purpose of the interview, he provided the following information:

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[redacted]
ASSOCIATES since 1976. JENNESSEN ASSOCIATES is a pension management firm responsible for \$10 billion in equities for approximately sixty clients and \$8 billion in fixed income investments for approximately twenty-five clients.

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[redacted] informed that none of his political contributions are related to JENNESSEN ASSOCIATES nor any business interests of his.

[redacted] involvement in politics stems from his long standing friendship with Michigan Senator DONALD RIEGEL, with whom he attended Harvard Business School.

[redacted] has maintained a close relationship with RIEGEL and his political interests and involvement have followed RIEGEL's political undertakings. For instance, [redacted] was a registered Republican for years, but because RIEGEL became a Democrat, [redacted] became a supporter of Democratic causes and candidates.

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[redacted] has made many trips to Washington with RIEGEL, who has introduced him to numerous Democratic Senators, to whom [redacted] has often ended making campaign contributions.

[redacted] cannot recall exactly when he first met Senator CRANSTON, but believes it was on such a trip to Washington, with RIEGEL several years ago.

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Some time in 1987, CRANSTON called [redacted] and arranged a meeting at [redacted] New York office. Present at the meeting were

Investigation on 9/14/91 at New York, New York File # 58C-PX-41605

by SA [redacted] ^{NO} jkl Date dictated 9/14/91

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58C-PX-41605

Continuation of FD-302 of [REDACTED]

, On 9/14/91, Page 2

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[REDACTED] CRANSTON, and a woman aide to CRANSTON, whose name [REDACTED] cannot recall. CRANSTON explained to [REDACTED] that he was soliciting funds for a major voter registration effort. CRANSTON presented a choice of three non-partisan voter registration funds to which [REDACTED] could contribute, as well as a partisan, non-deductible fund, America votes.

[REDACTED] decided to contribute \$25,000 to the Forum Institute, which was one of the non-partisan funds, which he thought affected Virginia, as well as \$10,000 to America votes. He made identical contributions in 1988 and 1989.

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[REDACTED] contributed, even though many people thought that voter registration efforts were a waste of time, because he thought it was important for the country. [REDACTED] noted that a \$25,000 contribution was not unusual for him, adding that he has made charitable contributions as large as \$250,000.

[REDACTED] each donated \$2,000 to CRANSTON's 1992 re-election campaign, as they had in the past. CRANSTON later called HOBBS and asked permission to convert the donation to his legal defense. HOBBS agreed.

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[REDACTED] stated that neither he personally nor JENNESSEN ASSOCIATES had any regulatory, legislative, or business matters on which CRANSTON could or did act, nor on any that he asked him to act.

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 10/10/91

TO : SAC, LOS ANGELES (58C-PX-41605)

FROM : ADIC, NEW YORK (RUC)

SUBJECT : ALLEGATIONS CONCERNING U.S. SENATORS
 ALAN CRANSTON, - ET AL;
 CFPO;
 (OO:PX/LA)

ReLAteletype to CI, dated 8/15/91.

Enclosed for LA are an original and one copy each
 of FD-302's detailing interviews of [redacted]
 [redacted] and interview notes. Enclosed for PX are two
 copies each of the FD-302's.

This matter is RUC.

2 - Los Angeles (Encls.)
 ② - Phoenix (Encls.)
 1 - New York

JLT:fmg
 (5)

58C-PX-41605-84

SEARCHED	INDEXED
SERIALIZED	FILED
OCT 17 1991	
FBI - PHOENIX	

Approved: _____ Transmitted _____
 (Number) (Time)

Per _____

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58C-PX-41605-85



SEARCHED.....	INDEXED <i>SK</i>
SERIALIZED <i>SK</i>	FILED <i>SK</i>
OCT 18 1991	
FBI - PHOENIX	

42

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- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription -- 9/4/91

[redacted] AMERICAN FINANCIAL CORPORATION (AFC), One East Fourth Street, Cincinnati, Ohio 45202, was advised of the official identities of Special Agents (SAs) [redacted] of the Cincinnati Office of the Federal Bureau of Investigation. [redacted] a white male who appears to be in his mid 70s and his Attorney, [redacted] [redacted] AFC were advised of the purpose of the interview, and provided the following information:

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He has known United States Senator ALAN CRANSTON on a casual basis for many years based upon passing contacts at various public and semi public functions. He advised that they are not personal friends.

Neither he nor to his knowledge his staff have ever had occasion to contact CRANSTON or his staff with regard to legislative and/or regulatory matters related to AFC of Cincinnati.

To his knowledge, neither CRANSTON nor his staff have ever attempted to pressure or otherwise coerce he and/or AFC to make political contributions.

[redacted] acknowledged that AFC made a \$25,000.00 contribution by check to the FORUM INSTITUTE on or about May 26, 1988. This was considered by [redacted] to be a soft money political contribution inasmuch as it was his understanding that the money would be utilized for "get out the vote" voter registration objectives. It was his understanding that FORUM INSTITUTE was associated with US Senator ALAN CRANSTON in some unrecalled and unspecified way. He obtained his information about and the solicitation to contribute to the FORUM INSTITUTE from an unrecalled female associate of Senator CRANSTON.

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He does not recall any contacts with or knowledge of [redacted]

Investigation on 8/26/91 at Cincinnati, Ohio File # Cincinnati
by SA [redacted] and 58C-PX-41605
SA [redacted] krm Date dictated 8/29/91

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CI 58C-PX-41605

Continuation of FD-302 of [REDACTED]

, On 8/26/91, Page 2

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[REDACTED] commented that he and/or AFC receive approximately 10 to 15 solicitations per day for contributions and/or donations.

Initially, [REDACTED] referred to the existence of a file at AFC which concerned political contributions made by AFC and/or [REDACTED] immediately made a statement to [REDACTED] that attempts to locate such a file had been unsuccessful. [REDACTED] then stated that he was mistaken and such a file did not exist. He further stated that the only record maintained of political contributions would be the canceled checks.

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[REDACTED] authorized and [REDACTED] agreed to provide a copy of the canceled check utilized to make the \$25,000.00 contribution to the FORUM INSTITUTE on or about May 26, 1988.

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[REDACTED] adamantly denied that his contribution to the FORUM INSTITUTE was connected in any way to CHARLES H. KEATING, JR.

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 10/15/91

TO : SAC, LOS ANGELES
 FROM : SAC, CINCINNATI (58C-PX-41605) (SARA) (P)
 SUBJECT : ALLEGATIONS CONCERNING UNITED STATES SENATORS
 ALAN CRANSTON;
 ET AL;
 CORRUPTION OF FEDERAL PUBLIC OFFICIALS -
 LEGISLATIVE
 (OO: PHOENIX)

ReLatel to Cincinnati, dated 8/15/91, and Citel to
 Los Angeles, dated 8/29/91.

Enclosed for Los Angeles is an original and one
 copy and Phoenix, two copies of an FD-302 of [REDACTED]
 dated 8/26/91, concerning captioned subjects ALAN CRANSTON and
 CHARLES H. KEATING, JR.

Upon receipt of a copy of the canceled check from
 AMERICAN FINANCIAL CORPORATION to the FORUM INSTITUTE for
 \$25,000.00 dated on or about 5/26/88, as proffered in the
 enclosed FD-302, Cincinnati will forward same to Los Angeles
 with copies to Phoenix.

2 - Los Angeles (SARA) (Encl. 2)
 2 - Phoenix (Encl. 2) 45
 2 - Cincinnati

EAV:krm
 (6)

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58C-PX-41605-86

SEARCHED.....	INDEXED.....
SERIALIZED.....	FILED.....
OCT 18 1991	
FBI - PHOENIX	

Approved: _____ Transmitted _____ Per _____
 (Number) (Time)

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 b7c

SEARCHED	INDEXED
SERIALIZED	FILED
OCT 24 1991	
FBI - PHOENIX	

58C-PX-41605-87

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/17/91

[redacted] Tiburon, California. DOB [redacted] was located and interviewed at his offices, [redacted] Tiburon, California. At the time of the interview, [redacted] was advised of the identity of the interviewing agent by being shown his credentials and was told the agent desired to discuss with him two contributions he made to the Center For Participation in Democracy (CPD) totalling \$40,000.

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[redacted] advised that both contributions made to the Center For Participation in Democracy were made voluntarily and after a discussion with his wife. He stated he has known Senator CRANSTON for a number of years and was aware of this Center in that it increased the franchising process and used monies donated to it to increase the number of registered voters in California without regard to how they registered. He stated he and his wife believe that just by expanding the number of voters in California they are assisting the democratic process.

He said CRANSTON had asked them to support the franchising process and they were happy to do so. He stated he has never asked for, nor received assistance from Senator CRANSTON or any other senator. He feels his contributions were part of participating in the democratic process which exists in the United States.

According to [redacted] his business is such that there would be no need for a senator or any Federal representative to assist or offer him favors. He advised he is in the reinsurance business and his business is not regulated by Federal law.

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[redacted] said he feels the Federal campaign funding laws are "screwed up" and the rule which allows individuals to place as much money as they wish into their own election, leads to a government led only by the wealthy. Because of this he feels we must increase registration and the number of voters who turn out at each election. [redacted] stated Senator CRANSTON personally asked him to donate after they met at a gathering of democratic senators at a Democratic Senatorial Campaign Committee function. He said this gathering of "The Majority Trust" which is a

Investigation on 9/27/91 at TIBURON, CALIFORNIA File # 58C-PX-41605

by SA [redacted] /mdh Date dictated 10/16/91

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Continuation of FD-302 of , On 9/27/91, Page 2

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subsection of the Democratic Senatorial Campaign Committee, was attended by himself and his wife. He said it was at this gathering where the Senator asked for the donation.

concluded the interview by saying, he has never felt under any pressure or intimidation to make contributions to Senator CRANSTON and in fact he and his wife contribute to many candidates, both Republican and Democratic.

The interview which began at approximately 5:30 p.m. ended at 6:18 p.m.

SEARCHED	INDEXED
SERIALIZED	FILED
OCT 24 1991	
FBI - PHOENIX	

58C-PX-41605-88

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/30/91

[redacted] age 74, [redacted] San Francisco, California, work telephone [redacted] was contacted at his place of employment. After being advised of the identity of the interviewing Agent and the nature of the interview, [redacted] furnished the following information:

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[redacted] has known Senator ALAN CRANSTON socially since the 1960's. [redacted] first became involved with CRANSTON's fund raising activities when he (CRANSTON) ran for the office of Controller for the State of California. [redacted] confirmed that he has since contributed approximately \$100,000 to various bi-partisan groups, including The Forum Institute and the "Get out the Vote" program, which were supported by CRANSTON. [redacted] donated money to these programs because he believed it was important to increase general participation in the election process and to increase voter awareness.

[redacted] adamantly affirmed that he never asked for any political or personal favors of CRANSTON or his office, and that CRANSTON never offered anything in return for his contributions. SWIG believes that CRANSTON is a competent and honest politician, and he reiterated that there was never any "quid pro quo" or nexus between SWIG's contributions and CRANSTON's subsequent actions.

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[redacted] knows Senator and Mrs. DENNIS DECONCINI quite well socially. The DECONCINI's are independently wealthy and [redacted] therefore, has difficulty imagining why DECONCINI would do anything illegal or unethical to raise campaign funds.

Investigation on 8/30/91 at San Francisco, California File # 58C-PX-41605

by SA [redacted] /SC Date dictated 8/30/91

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FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 10/17/91

TO : SAC, PHOENIX (58C-PX-41605)
 SAC, LOS ANGELES (58C-PX-41605)
 FROM: SAC, SAN FRANCISCO (58C-PX-41605) (RUC) (SRAF)
 SUBJECT : ALLEGATIONS CONCERNING U.S. SENATORS
 ALAN CRANSTON,
 DENNIS DECONCINI,
 JOHN GLENN,
 JOHN MCCAIN,
 DONALD RIEGLE;
 CHARLES H. KEATING, JR.,
 dba LINCOLN SAVINGS AND LOAN ASSOCIATION,
 Irvine, California;
 AMERICAN CONTINENTAL CORPORATION,
 Phoenix, Arizona;
 CORRUPTION OF FEDERAL PUBLIC OFFICIALS -
 LEGISLATIVE;
 OO: PHOENIX/LOS ANGELES

Re Los Angeles teletype to San Francisco and others
 dated August 15, 1991.

Enclosed herewith find copies of two FD-302s
 reflecting one interview at San Francisco with [redacted]
 one interview in Tiburon, California with [redacted] The
 original notes of the [redacted] interview are enclosed for
 Phoenix.

In view of the fact that no further investigation
 remains in the San Francisco Division, this case is being
 considered RUC'd.

② - Phoenix (58C-PX-41605) (Encls 3) DL
 2 - Los Angeles (58C-PX-41605) (Encls 2)
 1 - SF (58C-PX-41605)
 RKG/mdh
 (5)

58C-PX-41605-89

SEARCHED	INDEXED
SERIALIZED	FILED
OCT 24 1991	
PHOENIX	

Approved: _____ Transmitted _____ (Number) (Time) Per _____

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 b7c

Memorandum



To : DIRECTOR, FBI
(ATTN: PCU, ROOM 3849)

Date 10/4/91

From : SAC, PHOENIX

Subject: VERIFICATION OF FD-761
BUDED: 10/4/91

Pending investigations for which an FD-761 has been submitted:

OO	FILE #	DATE OPENED	LAST UPDATE	DATE CLOSED
PX	12C-PX-44826C	5/24/91	6/3/91	9/1/91
PX	56D-178C	1/4/89		6/2/89
PX	58A-PX42406C	4/13/90	8/13/90	10/4/91
PX	58A-PX-42524	4/24/90	7/5/91	
PX	58A-PX-43152C	8/20/90	8/21/90	2/7/91
PX	58C-PX-41605	11/8/89	8/7/90	
PX	58C-PX-44028	1/11/91	8/7/91	
PX	58C-PX-44193	1/31/91	6/13/91	
PX	194A-PX-42242	2/7/89	8/9/91	
PX	194B-PX-41619	11/15/89	9/4/91	
PX	194C-PX-45446	9/5/91	9/5/91	
PX	58A-PX-41265	8/20/91	8/23/91	
PX	58A-PX-45288	8/8/91	9/13/91	
PX	58A-PX-45429	9/3/91	9/25/91	
PX	194A-PX-45602	9/27/91	9/27/91	

2 - Bureau
① - Phoenix
HMW:sla
(3)

*Return #12
Pls -
Place 1 cc in
each of the
above files -
Hed*

58C-PX-41605-90

~~194-00~~

SEARCHED	INDEXED
SERIALIZED	FILED
OCT 4 1991	
FBI - PHOENIX	

PENDING INVESTIGATIONS - NEED UPDATED FD-761'S'

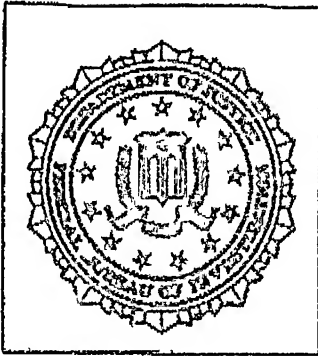
FO'	'FOFILE#'	'DATE OPENED'	'LAST UPDATE'
PX	012C-PX-44826	9-1-91	5/24/91
PX	056D-178	C 6-2-89	1/04/89
PX	058A-PX-42406	C	4/13/90
PX	058A-PX-42524	L	4/24/90
PX	058A-PX-43152	C 2-7-91	8/20/90
PX	058C-PX-41605	L	11/08/89
PX	058C-PX-44028	L	1/11/91
PX	058C-PX-44193	L	1/31/91
PX	194A-PX-42242	L	2/07/89
			6/03/91
			8/13/90
			5/21/90 FD 761 dated 7-5-91
			8/21/90
			8/07/90
			4/11/91 FD 761 dated 8-7-91
			6/13/91
			8/14/90 FD 761 dated 8-9-91
PX	194B-PX-41619	11-15-89	9-4-91
PX	194C-PX-45446	9-5-91	9-5-91
PX	58A-PX-41265	8-20-91	8-23-91
PX	58A-PX-45288	8-8-91	
PX	58A-PX-45429	9-3-91	9-25-91
PX	194A-PX-45602	9-27-91	9-27-91



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b7C

58-7241605-91

SEARCHED	INDEXED
SERIALIZED	FILED
NOV 13 1991	
FBI - PHOENIX	



COVER SHEET
FBI FACSIMILE
LOS ANGELES DIVISION
SANTA ANA RA

PRECEDENCE☐ IMMEDIATE☐ PRIORITY☒ ROUTINECLASSIFICATION☐ TOP SECRET☐ SECRET☐ CONFIDENTIAL☐ SENSITIVE☒ UNCLASSIFIED

TIME TRANSMITTED

SENDER'S INITIALS

NUMBER OF PAGES

TO: FBI PhoenixDATE: 11/14/91FACSIMILE NUMBER: (602) 279-3511

ATTN: _____

FROM: FBI Los AngelesSUBJECT: Allegations Concerning U.S. SenatorsAlan Cranston, ET AL;OO: Phoenix/Los AngelesSPECIAL HANDLING INSTRUCTIONS: PLEASE HAND CARRY TOORIGINATOR'S NAME: SA ORIGINATOR'S FACSIMILE NUMBER: (714) 542-8825APPROVED: b6
b7c

FD-36 (Rev. 8-29-85)

FBI

TRANSMIT VIA:

☒ Teletype
☐ Facsimile
☐ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☒ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☒ UNCLAS

Date 11/14/91

FM FBI LOS ANGELES (56C-PX-41605) (SARA-3) (P)

TO DIRECTOR FBI/ROUTINE/

FBI WMFO/ROUTINE/

INFO FBI PHOENIX/ROUTINE/

BT

UNCLAS

CITE: //3410:0670//

PASS: FBIHQ FOR SSA PUBLIC CORRUPTION UNIT.b6
b7c

SUBJECT: ALLEGATIONS CONCERNING U.S. SENATORS ALAN CRANSTON,

ET AL; CORRUPTION OF FEDERAL PUBLIC OFFICIALS - LEGISLATIVE;

OO: PHOENIX/LOS ANGELES (58C-PX-41605);

FORMER MEMBER, FEDERAL HOME LOAN BANK BOARD; CHARLES H.

KEATING, JR., DBA LINCOLN SAVINGS AND LOAN, IRVINE,

CALIFORNIA; CORRUPTION OF FEDERAL OFFICIALS - EXECUTIVE

BRANCH; OO: LOS ANGELES (58A-LA-111204).

JAS/clm

Approved: CJP/ja Original filename: _____

Time Received: _____ Telprep filename: _____

MRI/JULIAN DATE: _____ ISN: _____

FOX DATE & TIME OF ACCEPTANCE: _____

^PAGE 2 56C-PX-41605, UNCLAS

RE TELCALLS FROM SA [REDACTED] TO FBIHQ SUPERVISOR

b6
b7C

[REDACTED] AND WMFO RELIEF SUPERVISOR [REDACTED] ON

11/12/91.

AS DISCUSSED IN REFERENCED TELCALLS, LOS ANGELES SA'S

[REDACTED] INTEND TO TRAVEL TO WMFO

11/19/91 THROUGH 11/23/91, FOR THE PURPOSE OF CONDUCTING
INVESTIGATION IN CAPTIONED MATTERS.

ON NOVEMBER 21 AND 22, SA'S [REDACTED] ALONG WITH

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AUSA [REDACTED] AND DOJ ATTORNEY STUART GOLDBERG, ARE
SCHEDULED TO REVIEW THE NON-PUBLIC DOCUMENTS OF THE U.S.

SENATE ETHICS COMMITTEE. THE ETHICS COMMITTEE HAS PUBLICLY
RELEASED 15 VOLUMES OF DOCUMENTATION, BUT APPARENTLY HOLDS
DOCUMENTATION THAT HAS NOT BEEN RELEASED TO THE PUBLIC. THIS
REVIEW WAS INSTIGATED AND ARRANGED BY AUSA [REDACTED]

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ON 11/20/91, SA'S [REDACTED] ARE SCHEDULED TO
INTERVIEW SUBJECT [REDACTED] OF ATLANTA, GEORGIA AT THE
OFFICES OF HIS ATTORNEY, [REDACTED] SWIDLER AND BERLIN,
3000 K STREET, NORTHWEST, WASHINGTON, D.C. AUSA [REDACTED]
INTENDS TO ATTEND THIS INTERVIEW.

^PAGE 3 56C-PX-41605, UNCLAS

NO ASSISTANCE OF WMFO IS REQUIRED. SAC WMFO AND SAC LOS
ANGELES CONCUR WITH PROPOSED TRAVEL.

BT

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 10/30/91

TO : SAC, LOS ANGELES (58C-PX-41605) (SARA)
 FROM : SAC, DALLAS (58C-PX-41605) (FWRA) (RUC)
 SUBJECT : ALLEGATIONS CONCERNING U.S. SENATORS
 ALAN CRANSTON,
 DENNIS DECONCINI,
 JOHN GLEN,
 JOHN MCCAIN,
 DONALD RIEGLE;
 CHARLES H. KEATING, JR,
 dba LINCOLN SAVINGS AND LOAN ASSOCIATION,
 IRVING, CALIFORNIA,
 AND AMERICAN CONTINENTAL CORPORATION,
 PHOENIX, ARIZONA;
 CORRUPTION OF FEDERAL PUBLIC OFFICIALS-LEGISLATIVE;
 OO: PHOENIX

Re Dallas airtel to Los Angeles, 9/12/91.

On 10/23/91, [redacted] attorney for [redacted] advised he has reviewed [redacted] records and uncovered no checks to USA VOTES or any other group inquired about, besides SOUTHWEST VOTERS REGISTRATION (SVR). None were sent "via BENTSON". SVR got several checks over about a two and a half year period, in the range of \$25,000 to \$100,000, totaling about \$250,000.

2 - Los Angeles
 ② - Phoenix
 2 - Dallas
 CBB/smf
 (6)

1*

58C-PX-41605-92

SEARCHED	INDEXED
SERIALIZED	FILED
NOV 12 1991	
FBI - PHOENIX	

Approved: _____ Transmitted _____ Per _____
 (Number) (Time)

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581-PX-41605-93

SEARCHED	INDEXED
SERIALIZED	FILED
DEC 4 1991	
JAL	

1

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/26/91

[redacted] GENERAL POWER CORPORATION, was interviewed at his place of business, 1045 South East Street, Anaheim, California, telephone: [redacted]. After having been advised of the interviewing agent's identity and the nature of the interview, [redacted] provided the following information:

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[redacted] was shown a copy of a memorandum dated January 2, 1987, from [redacted] to ALAN CRANSTON, in which [redacted] is described as one of five individuals who had been "very helpful" to CRANSTON, and who have "cases or legislative matters" pending with CRANSTON's office, and who "rightfully expect some kind of resolution". [redacted] said he had not seen this memorandum before and was unaware that it existed.

[redacted] stated that he held one fundraising event for CRANSTON in Orange County in 1986, and this event raised approximately \$15,000 for CRANSTON's campaign. [redacted] later explained that although he thought that this event raised only \$15,000, it was possible it raised as much as \$30,000. [redacted] said the event was attended by approximately 20 or 25 individuals, some of whom were his employees, and some were persons who had done business with him. [redacted] said he contributed to CRANSTON's campaign himself within the limits prescribed by law. [redacted] added that he attended a separate fundraising function for CRANSTON in Los Angeles.

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[redacted] explained that in approximately 1985, [redacted] had government contracts to provide power equipment for certain Aegis cruisers, and a competitor, TELEDYNE, had the contract to provide the power equipment for other ships. [redacted] said he learned TELEDYNE was lobbying Congress and the Secretary of the Navy to provide power equipment for other ships, and [redacted] company had no such lobbying. In response to TELEDYNE's lobbying, [redacted] wrote his own "white paper" and took it to anyone who would listen to his story. [redacted] said he approached California Senators CRANSTON and PETE WILSON, his Congressman WILLIAM DANNEMEYER, the Mayors of Anaheim and Fullerton, and members of the Armed Service Committees. [redacted] said WILSON would never listen to him and just had him meet with aides. [redacted] said he received just "lip service" from WILSON's office. On the other hand, CRANSTON listened to [redacted] story. [redacted] said he did not know CRANSTON before he approached CRANSTON with his problems with the Navy contract.

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Investigation on 8/6/91 at Anaheim, California File # 58C-PX-41605

by SA [redacted] dcd Date dictated 8/7/91

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58C-PX-41605

Continuation of FD-302 of [REDACTED]

, On 8/6/91

, Page -2-

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[REDACTED] said he met [REDACTED] on one of his trips to Washington, D.C. When [REDACTED] asked him to hold a fundraising event, [REDACTED] said he checked with his lawyer, and then agreed to do so. [REDACTED] explained that he checked with his lawyer only because his lawyer was also a friend, and he checked everything with his lawyer. [REDACTED] said he did not "sense" any connection between the fundraising event and CRANSTON's help for [REDACTED] and [REDACTED] did not feel uncomfortable holding the fundraising event. [REDACTED] added that most of CRANSTON's help came before the request to hold the fundraising event. [REDACTED] explained that he was willing to contribute to CRANSTON's campaign and to hold the fundraising event, because CRANSTON had met with him and listened to the problem of a small businessman like [REDACTED] said this fundraising event for CRANSTON was the only one he ever sponsored. [REDACTED] added that he made political contributions to others, including WILSON, DANNEMEYER, and CRANSTON's opponent in 1986, ED ZSCHAU.

[REDACTED] said he had ongoing conversations with CRANSTON's office in 1987 regarding his problem with the Navy. [REDACTED] sold the division that had the contracts with the government in July, 1987, and the sale was motivated partly by [REDACTED] becoming fed up with dealing with the government. The division that was sold was known as [REDACTED] believed the new owners of [REDACTED] continued to ask CRANSTON's office for assistance.

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[REDACTED] stated that, at his request, CRANSTON wrote letters and probably made telephone calls on [REDACTED] behalf, primarily to the Secretary of the Navy. [REDACTED] stated that he also had dealings with [REDACTED] of CRANSTON's office, and possibly others whose names he could not recall. [REDACTED] said he met [REDACTED] only on one occasion in Washington, D.C., which was when she asked him if he would host a fundraising event for CRANSTON. [REDACTED] could not recall the location of his meeting with [REDACTED] but he said it would have been either in CRANSTON's office, or at a dinner meeting. [REDACTED] added that [REDACTED] also attended the fundraising event that he hosted. [REDACTED] advised that he did not remember discussing his navy problems with [REDACTED] unless she was involved in writing the letters and making the phone calls on [REDACTED] behalf. [REDACTED] added that he thought [REDACTED] was on CRANSTON's Senate staff, and [REDACTED] did not distinguish between CRANSTON's campaign staff and CRANSTON's Senate staff.

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58C-PX-41605

Continuation of FD-302 of [REDACTED]

, On 8/6/91, Page -3-

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[REDACTED] initially stated that he could recall other requests from [REDACTED] or CRANSTON for campaign contributions, contributions to any other entities, such as the California Democratic Party, to CRANSTON's voter registration groups, or for any other assistance. However, [REDACTED] later added that he was asked on several other occasions, by [REDACTED] or CRANSTON, to attend CRANSTON's superbowl events, but [REDACTED] never contributed nor attended.

[REDACTED] explained that the only way he was "helpful" to CRANSTON was hosting the one fundraising event in 1986. [REDACTED] added that he also was "helpful" to CRANSTON, in that at every chance he had, [REDACTED] described his bad experience with Senator WILSON and his good experience with CRANSTON. [REDACTED] said he did not know whether [REDACTED] was aware of [REDACTED] outspoken support of CRANSTON, but that she could have been, because [REDACTED] was so outspoken.

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[REDACTED] stated that the description of his problems with the Navy as set forth in [REDACTED] memorandum to CRANSTON, dated January 2, 1987, is accurate except for two points. One such inaccuracy is that [REDACTED] competitor was TELEDYNE rather than LITTON INDUSTRIES, as stated in the memorandum. The other inaccuracy is that [REDACTED] fear that TELEDYNE had an unfair advantage was based on TELEDYNE's lobbying activities, not only because TELEDYNE was a big company with several other contracts with the navy. [REDACTED] explained that his objective in obtaining CRANSTON's support was to obtain a "level playing field" for his company.

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[REDACTED] advised that he is a Republican.

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58C-PX-41605-94

SEARCHED	INDEXED
SERIALIZED	FILED
JUN 4 1991	
FBI - JPL	

1

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/23/91

[redacted] date of birth: [redacted]

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[redacted] Santa Monica, California, [redacted] was interviewed in the presence of his attorney, [redacted] HELLER, EHRMAN, WHITE, AND McAULIFFE, 601 South Figueroa Street, Los Angeles, California, (213) 689-0200. After having been advised of the interviewing agents' identities and the nature of the interview, [redacted] provided the following information:

[redacted] advised that [redacted] Senator ALAN CRANSTON's campaign for reelection to the United States Senate in 1986. [redacted] said he was offered the job of [redacted] by CRANSTON on the Saturday before Christmas in 1984, and he began the job in February 1985. [redacted] said he completed his employment [redacted] in early 1987.

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[redacted] advised that [redacted] in Washington, D.C., where he handled constituent service. He then worked for a quasi government agency in Washington D.C. before moving to Los Angeles to practice law. [redacted]

[redacted] stated that [redacted] he had minimal involvement in fund raising for two reasons. One reason was that CRANSTON was in Washington, D.C. while [redacted] was in California, and the second reason was that [redacted] did a good job of fundraising and did not need supervision. [redacted] said his main focus [redacted]

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[redacted] advised that in 1986, he knew LINCOLN SAVINGS AND LOAN ASSOCIATION (LSL) was in a battle with the FEDERAL HOME LOAN BANK BOARD (FHLBB), although [redacted] was unsure how he knew this, and he speculated that he learned this from newspaper accounts. [redacted] said he could not recall discussing the LSL/FHLBB battle with [redacted] although he may have.

Investigation on 8/5/91 at Los Angeles, California File # 58C-PX-41605

by SA [redacted]
SA [redacted] dcd Date dictated 8/7/91

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58C-PX-41605

Continuation of FD-302 of [REDACTED]

, On 8/5/91

, Page -2-

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[REDACTED] said his contact with CRANSTON's staff was [REDACTED] and [REDACTED] generally did not speak with any staff members other than [REDACTED] said he did not discuss the LSL/FHLBB situation with [REDACTED] added that as [REDACTED] he was concerned about the political effect of events occurring during the campaign, and he had no specific recollection of any discussions of possible political ramifications from dealing with LSL or CHARLES KEATING.

[REDACTED] explained that in the 1986 campaign, CRANSTON had no opponent in the primary election and, therefore, the campaign had lots of cash in the bank. The campaign had no cash problems until late in the campaign. [REDACTED] added that CRANSTON did not want to go into debt on the 1986 campaign because CRANSTON still had a debt from his 1984 Presidential campaign, and [REDACTED] had assured CRANSTON that he would not go into debt. A few weeks before the election, the campaign media consultants told [REDACTED] that the polling data showed that it would be a close election, and that more money needed to be spent on television advertising than had been originally anticipated. [REDACTED] said he then went to CRANSTON and said that although he had promised there would be no necessity to go into debt, the media consultants had said the spending was necessary to win the election. CRANSTON then agreed to borrow money, which led to the campaign obtaining a loan from DEAUVILLE SAVINGS AND LOAN ASSOCIATION.

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[REDACTED] said DEAUVILLE was [REDACTED] who was a supporter of CRANSTON and otherwise active in politics. [REDACTED] could not recall who suggested DEAUVILLE as a potential lender, and he does not know who arranged the loan with DEAUVILLE. although [REDACTED] speculated that it was CRANSTON or [REDACTED] because those two were most directly involved in fundraising. [REDACTED] recalled having contact with someone on the DEAUVILLE staff regarding the paperwork for the loan, including possibly how to structure the loan, but [REDACTED] could not recall discussing the terms or otherwise negotiating the DEAUVILLE loan, although [REDACTED] said he could have done so.

58C-PX-41605

Continuation of FD-302 of [REDACTED]

, On 8/5/91, Page -3-

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[REDACTED] said he was cautious because he felt the race was very close. [REDACTED] said he assumed that the DEAUVILLE loan would provide enough money to do what the media consultants wanted, but [REDACTED] was concerned that the campaign may be a little short of cash. [REDACTED] therefore suggested to CRANSTON or [REDACTED] that the campaign obtain a backup letter of credit in case the DEAUVILLE funds were insufficient.

[REDACTED] explained that television stations work on a Tuesday through Monday advertising week, and that they require payment in full on the Thursday before the first Tuesday of the week. Thus, to purchase advertising for the last week of the campaign, the money would be needed by Thursday, October 23, 1986. [REDACTED] added that last minute television could be arranged in some cases, and he contemplated that the back up line of credit could be used for these last minute television buys.

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[REDACTED] said he did not know who suggested ISL as a lender to the campaign. [REDACTED] said he could not recall whether he was involved in the loan negotiations or arrangements with ISL. [REDACTED] could not recall the exact timing of the ISL line of credit application, but he thought that it would have happened after the DEAUVILLE loan was arranged, that is, sometime after October 6, 1986.

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[REDACTED] stated that there was no need to keep the ISL or DEAUVILLE loans confidential, because they would all be reported eventually. [REDACTED] did not recall any need to keep the fact that the campaign was borrowing from the media, although there could have been such a concern in the campaign. [REDACTED] said there was no problem with borrowing money from DEAUVILLE or ISL, especially as to DEAUVILLE. [REDACTED] generally recalled ISL having a public disagreement with the FEDERAL HOME LOAN BANK OF SAN FRANCISCO, but [REDACTED] then had no knowledge of CRANSTON being involved in the disagreement. [REDACTED] said he could not recall discussing this issue at the time. [REDACTED] added that he had no knowledge of any discussions of keeping the ISL line of credit confidential after the election in 1986.

58C-PX-41605

Continuation of FD-302 of _____, On 8/5/91, Page -4-

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b7C

_____ said he had no knowledge of any desire or instruction to destroy the line of credit documents at either ISL or the CRANSTON campaign. _____ said he had no knowledge that _____ had requested that the ISL line of credit documents be destroyed to prevent _____ or someone else in the campaign from drawing on the line of credit.

_____ said he did not recall talking with anyone at ISL, although he could have talked with someone at ISL regarding the line of credit. _____ said he has never met or talked on the telephone with KEATING, _____

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_____ explained that _____ he was always looking for problems in the campaign, and he did not remember the ISL letter of credit ever being considered a problem. _____ said he could not recall having any discussion with _____ or anyone else regarding anything CRANSTON had done for ISL. _____ said he did not recall being aware that ISL had requested help from CRANSTON's office. _____ added that it would have raised a red flag if _____ had told him that she discussed legislation and the letter of credit with _____ in the same conversation. _____ added that he was not surprised that ISL issued the letter of credit, because CRANSTON had good relations with many financial institutions.

_____ said he knew of no individual who had helped CRANSTON in his campaign, and who also had problems pending before CRANSTON's office. _____ said he knows of no "special favors" done by CRANSTON for any contributors. _____ explained that he recalled that the issue of deregulation of the SAVINGS AND LOAN ASSOCIATIONS was current in 1986, but _____ considered this a policy question, and not a particular constituent service question.

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_____ stated he was unaware at the time that KEATING contributed \$85,000 to the California Democratic Party in October, 1986. _____ explained that he generally did not know what was going on with the soft money in the campaign, because his responsibilities dealt only with the hard money.

58C-PX-41605

Continuation of FD-302 of [REDACTED], On 8/5/91, Page -5-

b6
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[REDACTED] never learned how the \$85,000 was raised, and he could not recall any later conversations with CRANSTON or [REDACTED] regarding the \$85,000. [REDACTED] said he thought he first learned about the \$85,000 contribution by reading about it in the newspaper.

[REDACTED] said he once met [REDACTED] at a fundraising event, but that [REDACTED] had no knowledge of what [REDACTED] may have done for CRANSTON, and what CRANSTON may have done for [REDACTED]. [REDACTED] said he is unfamiliar with [REDACTED].

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[REDACTED] concluded that he had no knowledge of any illegal, unethical, or politically embarrassing events that occurred during CRANSTON's 1986 campaign.

[REDACTED] stated that [REDACTED] for the 1986 CRANSTON campaign. [REDACTED] said he had no communication with anyone at LSL regarding the LSL line of credit in 1986, and that he was not present for the signing of the documents relating to the LSL line of credit.

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58C-PX-41605-95

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<i>[Signature]</i>	

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- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 7/15/91

[redacted]
[redacted] Washington, D.C., [redacted] Attorney
for [redacted] telephoned the Santa Ana Office of the
Federal Bureau of Investigation and provided the following
information:

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According to [redacted] contributed \$2,000 to the
federal campaign of SAM BEARD. When BEARD lost in the primary
election, BEARD had to refund \$1,000 to [redacted] and BEARD asked
[redacted] to contribute the \$1,000 refund to the Delaware
Democratic State Committee (DDSC). [redacted] did so.
Approximately one year later, someone working for BEARD
telephoned [redacted] office and stated that something had
happened to [redacted] check payable to the DDSC, and asked
[redacted] to write another check payable to the Committee for a
Democratic Consensus, which [redacted] knew to be a political action
committee affiliated with Senator ALAN CRANSTON. [redacted] did
write such a check to the Committee for a Democratic Consensus on
October 23, 1989. [redacted] has searched his records, and has been
unable to determine whether this check payable to the Committee
for a Democratic Consensus ever cleared his bank.

Investigation on 7/12/91 at Santa Ana, California File # 58C-PX-41605

by SA [redacted] caw Date dictated 7/12/91

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58C-PX-41605-916

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- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/9/91

ERNEST (no middle name) GALLO, date of birth March 18, 1909, Chairman, E&J GALLO WINERY, was interviewed at his place of business, 600 Yosemite Boulevard, Modesto, California. Present during the entire interview was [REDACTED]. After having been advised of the interviewing agents' identities and the nature of the interview, GALLO provided the following information:

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GALLO stated that he knows Senator ALAN CRANSTON "very well", and that they have been friends for at least ten years. From time to time, GALLO has contributed to CRANSTON's campaign. GALLO said he met [REDACTED] only once, at a fundraising event in San Francisco.

GALLO was asked about the circumstances of the E&J GALLO WINERY contributions to the Forum Institute and the Center for Participation in Democracy of \$100,000 per year in 1987, 1988, and 1989. GALLO responded that the best he could recall was that CRANSTON initially telephoned GALLO and described reasons why it was necessary to get people out to vote and that there were organizations that were making an effort to get people to vote. GALLO was then shown a copy of a letter to GALLO from CRANSTON dated May 28, 1987, which makes reference to seeing GALLO at [REDACTED]. After reviewing the copy of the letter, GALLO said he recalled attending a CRANSTON fundraising event at the [REDACTED] but that he did not remember receiving this letter. GALLO added that he did not remember CRANSTON asking for a \$250,000 contribution to the Forum Institute, as stated in the letter.

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GALLO said he could not recall contributing anything in 1986 to groups affiliated with CRANSTON or to the California Democratic Party, although GALLO said he may have done so. GALLO explained that all E&J GALLO WINERY political and charitable contributions are cleared by the E&J GALLO WINERY Legal Department and that the Legal Department has maintained records of these contributions. GALLO added that he contributes both to Democrats and Republicans.

GALLO said that the only person he dealt with regarding the voter registration groups was Senator ALAN CRANSTON, and GALLO could not recall any details about the solicitations by CRANSTON for contributions. GALLO said he did recall that CRANSTON's sales pitch

Investigation on 8/30/91 at Modesto, California File # 58C-PX-41605

by SA [REDACTED]
SA [REDACTED] /JAJ/caw Date dictated 9/5/91

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58C-PX-41605

Continuation of FD-302 of _____, On 8/30/91, Page 2

was simply voter registration, and no mention was made how these groups could benefit Democrats or CRANSTON.

GALLO was asked whether during 1986 through 1989, E&J GALLO WINERY had any legislative or regulatory matters pending with the Federal Government. GALLO responded that the wine industry is heavily regulated and that he is constantly on alert for possible tax increases. GALLO said he did not recall ever asking CRANSTON for any assistance in particular during 1986 through 1989, and GALLO could not recall any issue E&J GALLO WINERY had involving CRANSTON's office during 1986 through 1989. GALLO said that during 1986 through 1989, CRANSTON did not do anything to assist GALLO or E&J GALLO WINERY. GALLO added that he is certain that he discussed some issues with CRANSTON. GALLO said he could not recall CRANSTON ever arranging any meetings for E&J GALLO WINERY with regulators or Executive Branch personnel.

GALLO was asked about the \$2 million per grandchild exemption for generation-skipping transfers enacted in late 1986, referred to by some commentators as the "Gallo Exemption." GALLO said CRANSTON had "very little" to do with this legislation and GALLO could not recall discussing the matter with CRANSTON. GALLO said other legislators took charge of the issue, and that [redacted] law firm in Washington, D.C. was hired to handle the issue. GALLO stated that to his knowledge, [redacted] firm had no contact with CRANSTON on this issue.

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GALLO stated that he never felt that he had to contribute to CRANSTON or to the voter registration groups to obtain access to CRANSTON or to CRANSTON's staff. GALLO said CRANSTON never implied that there was a connection between contributions and services performed by CRANSTON or his staff. GALLO explained that his motivation for contributing \$300,000 to the voter registration groups affiliated with CRANSTON was that voter registration was a cause that GALLO thought was worthy and the contributions were requested by someone he considered to be a friend.

GALLO stated that E&J GALLO WINERIES has a government relations employee named [redacted] who primarily handles government relations in Sacramento. GALLO said he was unfamiliar with [redacted]

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In his dealings with CRANSTON, GALLO stated he never had an occasion to question CRANSTON's ethics. GALLO added that there were no other politicians with whom he felt "uncomfortable" regarding

58C-PX-41605

Continuation of FD-302 of _____, On 8/30/91, Page 3

solicitations for campaign contributions. GALLO added that he felt that there was a "good bunch" of politicians in Washington, D.C.

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58C-PX. 41605-97

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- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/8/91

[redacted] also known as [redacted]
[redacted] date of birth [redacted] was interviewed at his
place of business, The Kaempfer Company, 1150 18th Street, N.W.,
Suite 1000, Washington, D.C., telephone [redacted] in the
presence of his attorney, [redacted]. After being advised of
the interviewing Special Agents' official identities and the
nature of the interview, [redacted] furnished the following
information:

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[redacted]
[redacted] He has been
deeply involved with a non-profit California organization named
the Committee for a Democratic Consensus (CDC), which he stated
registers all voters, regardless of party.

When asked about a fund raiser held at his
residence to benefit Senator ALAN CRANSTON, [redacted] stated that
he hosted a fund raiser in the summer or early fall of 1986, at
his residence, 1406 34th Street, N.W., Washington, D.C. [redacted]
himself paid for the "food, booze, or a combination of the two."
[redacted] does not recall whether he also contributed money at
that time, but he has done so on other occasions. [redacted] did
raise money, probably \$15,000, and the total raised was "probably
ten times that."

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[redacted] previously rented office space to CDC at
1250 24th Street, N.W., Washington, D.C., then the location of
his company's headquarters. He said he guessed the rental was
\$400 per month. His offices used to be at 2300 M Street, N.W.,
then at 1250 24th street, N.W.

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[redacted] has also made empty office space available to
other organizations, either at reduced rent or rent-free. These
included MAURICE TURNER's campaign as a Republican to become
mayor of Washington, D.C. (at half rent), the Williamsburg
Charter group's 200th anniversary of the Constitution (rent-
free), and a program of about seventeen churches, the Cooperative
Urban Ministry. He has done this for "maybe twenty organizations
over the years." [redacted] stated that he was not sure, without

Investigation on 9/4/91 at Washington, D.C. File # 58C-PX-41605

by SA [redacted] Date dictated 9/13/91

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58C-PX-41605

Continuation of FD-302 of [REDACTED], On 9/4/91, Page 2

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checking his records, to what extent CDC's rent was paid or "forgiven."

When asked how the CRANSTON fund raiser came about, [REDACTED] stated that he did not remember specifically. He "did a lot of Democratic stuff." and knew [REDACTED] who probably asked him to do it. [REDACTED] had had a joint venture with two guys from California to build three buildings there. He had helped California candidates for Lieutenant Governor and State Treasurer. [REDACTED] a California lawyer, was one of KAEMPFER's biggest tenants and investors. [REDACTED] was also involved with the fund-raising party. [REDACTED] probably held fifteen such fund raisers over the last eight years, including two for Democratic Presidential candidate MICHAEL DUKAKIS.

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After consulting with a company employee, [REDACTED] stated that, from about 1986 to 1989, CDC's rent was \$500 per month for eight months, and free for one year. [REDACTED] (phonetic) actually occupied the space, and she "became like a member of the company family."

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Some Democratic contacts may have asked [REDACTED] about holding the fund-raising party, or [REDACTED] may have volunteered it. He probably said something to [REDACTED] like, "If there's anything I can do to help, I'd be delighted." The logistics were probably arranged by one of [REDACTED] secretaries. [REDACTED] stated that his housekeeper would have been there, and he would have hired a bartender. He usually used Ridgewell's (caterers) for things like the hors d'oeuvres.

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[REDACTED] was asked whether he ever requested any assistance from Senator CRANSTON. [REDACTED] stated that in late fall of that year (following the fund raiser), Senator CRANSTON, Senator MOYNIHAN and a Republican Senator were outraged that Arlington buildings known as the "silver slippers" could be seen from Washington. They wanted to enact a law prohibiting buildings taller than a certain height within twenty miles of Washington, so could they could not be seen from the Mall. At the time, there were proposals to construct a complex called Port America and a World Trade Center in the D.C. area. Also, [REDACTED] was building a 200 foot building in Arlington, which he had recently gotten approved, and his title attorney mentioned the height restriction issue to him. Someone from [REDACTED] office went to see MOYNIHAN, whom [REDACTED] did not know, and

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58C-PX-41605

Continuation of FD-302 of [REDACTED], On 9/4/91, Page 3

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[REDACTED] went to see someone in CRANSTON's office. They sought to get the law written to "ameliorate" the situation about their building in Arlington. [REDACTED] stated [REDACTED] building would not be visible from the Mall, and they offered to do a study and show this. They would offer language changes so that the legislation would not unnecessarily hurt them. The response was that the matter was open to discussion. [REDACTED] had the engineering done and the the bill was rewritten. However, it all became moot because, after input from the FAA (Federal Aviation Administration), National Airport, Andrews Air Force Base and the Airline Pilots Association, the building height limit was lowered without the legislation. [REDACTED] lowered his building and the "issue went away."

When asked whether he ever felt any pressure to contribute or raise money to get action, [REDACTED] replied, "Absolutely not."

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[REDACTED] regarded [REDACTED] and her now-husband as "pretty good friends." There was no discussion of past or future contributions when [REDACTED] requested action regarding the building height legislation. [REDACTED] stated, "No one in any walk of life has ever held his hand out regarding any government action." [REDACTED] stated that he felt no pressure to contribute to CDC, CRANSTON or anyone else, other than friendship and normal politics, adding "I was delighted to do it."

When asked whether Senator CRANSTON ever personally solicited contributions, [REDACTED] stated that it "wouldn't be unusual," and that he has gotten thank you notes "from ALAN" for things he had done, like the party. [REDACTED] stated that he was not aware of any improprieties by CRANSTON or anyone on his behalf. [REDACTED] offered as an example a California trip when CRANSTON stayed in a hotel room that cost about \$80 per night, while [REDACTED] room cost about \$300.

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FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

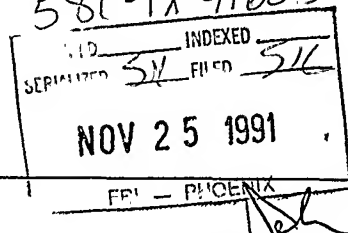
Date 11/15/91

1 TO : SAC, LOS ANGELES (SARA)
 2 FROM : SAC, SACRAMENTO (58C-PX-41605) (RUC)
 3 SUBJECT : ALLEGATIONS CONCERNING
 4 U.S. SENATORS ALAN CRANSTON, ET AL;
 5 CORRUPTION OF FEDERAL PUBLIC OFFICIALS-
 6 LEGISLATIVE;
 7 OO: PHOENIX/LOS ANGELES

8 Re Los Angeles airtel to Sacramento dated 9/16/91.

9 Enclosed for Los Angeles are the original and one
 10 copy of an FD-302 concernng an interview of ERNST GALLO. No
 11 investigation remains in the Sacramento Division.
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 18

19 2 - LA (Enc. 2)
 20 ② - PX
 21 2 - SC
 TAS:llc
 (6)



Approved: _____ Transmitted _____ (Number) (Time) Per _____



U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No.

201 East Indianola, Suite 400
Phoenix, Arizona 85012

September 25, 1991

ALLEGATIONS CONCERNING UNITED STATES SENATORS ALAN CRANSTON;
AND OTHERS; CHARLES H. KEATING, JR., DBA LINCOLN SAVINGS AND LOAN
ASSOCIATION AND AMERICAN CONTIENTIAL CORPORATION;
CORRUPTION OF FEDERAL PUBLIC OFFICIALS - LEGISLATIVE;

On April 15, 1991, a meeting was held at Los Angeles, California, in the Office of the United States Attorney, Assistant United States Attorney (AUSA) [redacted] and Departmental Attorney [redacted] attended. During this meeting evidence was reviewed and it was determined that a successful prosecution cannot be accomplished in this case, unless an insider was developed.

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Following this meeting, efforts have been focused on development of information which could lead to prosecutable cases against [redacted] and [redacted]
[redacted]

Documents and interviews conducted have been reviewed for any evidence to determine if [redacted] was actively soliciting campaign contributions from Capitol Hill. Additionally Federal Election Commission (FEC) records have been reviewed to determine if any conduit contribution violations could be developed in the Political Action Committee (PAC) [redacted] Pacific PAC, and Cranston's PAC, the Committee for Democratic Consensus. A review of these records have revealed no wide spread use of PACs for contributions, although the Pacific PAC and the Committee for Democratic Consensus contributed \$4,000 to each other in a one week period.

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[redacted] testified before the Senate Ethics Committee, that the Cranston's statement submitted for publication in the Congressional Record in March, 1987, was her

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- 4 - Bureau
- 1 - USA, Central District of California, Los Angeles, California
- 1 - USA, Phoenix, Arizona
- 2 - Phoenix (58C-PX-41605)

REB:slj

(8)

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Indexed _____

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58C-PX-41605-99

work product. This statement is believed to be the work product of Washington D.C. lawyer/lobbyist [redacted]. The statement was an effort to counter the Proxmire Amendment to his Federal Savings and Loan Insurance Corporation (FSLIC) Recapitalization Bill that would have clarified FSLIC's authority to regulate direct investment of state chartered institutions. Cranston demanded Proxmire withdraw his amendment, stating on the record that the amendment was unnecessary, because FSLIC already had such authority. [redacted] during an interview with the Federal Bureau of Investigation (FBI) said that he prepared this statement, for which [redacted] has taken credit.

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Efforts to develop a perjury case against [redacted] is difficult because of the Speech and Debate Clause of the Constitution. Efforts to obtain original evidence in this perjury matter have not been successful. [redacted] attorney and his lawfirm have been contacted in an effort to retrieve his work product. In an effort to obtain his work product, review of documents submitted to the depository in Phoenix by [redacted] lawfirm, [redacted] failed to locate any records supporting [redacted] statement that he prepared the Jordan/Cranston statement.

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Attorneys [redacted] requested that [redacted] be interviewed. [redacted] after initially agreeing to submit to an interview, refused.

AUSA [redacted] and Department of Justice (DOJ) Attorney [redacted] also requested that the FBI obtain information regarding charitable solicitations, made by [redacted] from Charles Keating. Deconcini's attorney, [redacted] was contacted and he provided the FBI with this information. It was determined from [redacted] that [redacted] only solicited two contributions from Keating as follows: In 1985, [redacted] solicited \$50,000 from Keating for contributions to the Phoenix Memorial Hospital Intergenerational Child Care Center, later known as "Young Company". [redacted] recollection is that she does not know if Keating contributed the full amount. In 1987 or 1988, [redacted] by telephone solicited Keating for a contribution for the construction of a gymnasium at the Seton Catholic High School in Chandler, Arizona. Keating, however, told [redacted] that funds were not available.

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Charities that [redacted] was involved in from 1975 to 1990 were compared with documents of American Continental Corporation (ACC) and Lincoln Savings and Loan Association (LSL) records of charitable contributions. It was determined that Keating and/or his company contributed \$77,500 to Phoenix Memorial Hospital in 1986 and 1987. In 1985 and 1986, \$20,000 was contributed to St. Mary's High School and/or St. Mary's Church.

Senator Don Riegle in March, 1987, received \$95,150 raised by a Keating fund raiser in Detroit, of this amount \$78,250 was contributed to Riegle by Keating, Keating's family or employees.

At least \$25,000 of the \$78,250 contributed by Keating, friends and associates were collected by ACC lobbyist and employee [redacted] in late February or early March of 1987. This \$25,000 was given to Deconcini for delivery to Riegle by [redacted] (who has declined to be interviewed by the FBI). Riegle and his aid, [redacted] met with Keating in early March, prior to the fund raiser in Detroit. Riegle admits he met with [redacted] Federal Home Lone Bank board, on March 6, 1987, suggesting to [redacted] that he should meet with Arizona Senators regarding Lincoln Savings and Loan Association. Riegle then attended a follow up meeting with the Federal Home Loan Bank representatives of San Francisco with the other Senators on April 9, 1987.

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On February 28, 1988, Keating agreed to sponsor another fund raising event for Riegle to be held in New York, on May 10, or May 11, 1988, with a goal of raising over \$100,000 for Riegle's campaign.

A Detroit newspaper reported that the bulk of the funds raised at the 1987 hotel Pontchartrain event were from Keating, his family and ACC/LSL employees. On February, 1988, Riegle returned the contributions made by Keating and his associates. Riegle testified under oath before the Senate Ethics Committee that he did not know the magnitude of the Keating family and associates contributions, until he read the newspaper article.

In an effort to determine if Riegle perjured himself, leads were sent to interview [redacted]

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[redacted] prepared a memo, dated February 28, 1988, concerning the fund raiser event, where she stated, "We know Keating can produce" the \$100,000. [redacted] signed the report that the Riegle Committee submitted to the FEC for the first six months of 1987. In this report the contributions raised in connections with the hotel Pontchartrain event in 1987 were listed by contributors name, address and employer.

On July 9, 1991, a meeting was held in Los Angeles of the Office of the U.S. Attorney. (AUSA [redacted] Departmental Attorney [redacted] attended this meeting). During this meeting investigation requested by them was discussed. It was decided by [redacted] that before they made a prosecutive decision they would review the evidence collected thus far. Attorneys [redacted] did not request any additional investigation regarding Senators McCain,

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Riegle, Deconcini and Glenn. Attorneys [REDACTED] requested that the Federal Bureau of Investigation (FBI) interview people who contributed \$25,000 or more to Cranston affiliated "soft money" voter registration groups.

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Eight interviews have been conducted, and these individuals, revealed no connection between Cranston's services for contributions to "soft money" groups. Two interviews remain outstanding.

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FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile

X AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 12/20/91

TO : SAC, LOS ANGELES (58C-PX-41605) (WCC4/SARA) (P)

FROM : SAC, WMFO (58C-PX-41605) (C-9/NVMRA) (P)

ALLEGATIONS CONCERNING U.S. SENATORS
 ALAN CRANSTON, DENNIS D. DE CONCINI,
 JOHN GLENN, JOHN MC CAIN, DONALD REIGLE;
 CHARLES H. KEATING, JR., dba
 LINCOLN SAVINGS AND LOAN ASSOCIATION
 OF CALIFORNIA (LSL) AND AMERICAN
 CONTINENTAL CORPORATION (ACC),
 PHOENIX, ARIZONA;
 CORRUPTION OF FEDERAL PUBLIC
 OFFICIALS-LEGISLATIVE;
 OO: PX/LA

Re LA 8/14/91 facsimile to WMFO and LA 8/15/91 tel
 to Cincinnati.

Enclosed for Los Angeles are the original and two
 copies of the FD-302 of [redacted] and a 1A
 envelope containing related interview notes.

Enclosed for Phoenix are two copies of the FD-302 of
 the [redacted] FD-302 (for information).

A copy of the enclosed FD-302 was furnished to LA
 Case Agent, at Washington, D.C., on 11/21/91.

This matter remains pending at WMFO, which will
 confer with LA/PX regarding the likelihood of additional
 investigation by WMFO.

3-Los Angeles (encls. 4)

②-Phoenix (encls. 2)

1-WMFO

REA:rea

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58C-PX-41605-101
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 SERIALIZED.....FILED.....

DEC 27 1991

FBI - PHOENIX

Per

Approved: _____

Transmitted _____

(Number) (Time)



Don't need a copy
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JAN 14 1992	
FBI - PHOENIX	

Memorandum



To : SAC, LOS ANGELES (58C-PX-41605)
(SARA) (P)

Date 11/27/91

From : SA [REDACTED]

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b7C

Subject: UNITED STATES SENATORS ALAN CRANSTON,
DENNIS DE CONCINI, JOHN GLENN,
JOHN MC CAIN, DONALD RIEGLE;
CHARLES H. KEATING, dba
Lincoln Savings and Loan Association, Irvine,
California, and American Continental Corporation,
Phoenix, Arizona;
CORRUPTION OF FEDERAL OFFICIALS - LEGISLATIVE;
OO: Phoenix
OO: Los Angeles

The following is an updated chronological list of events in this matter obtained from interviews, newspaper articles, and other investigation to date:

5/1/83 [REDACTED]
FEDERAL HOME LOAN BANK BOARD (FHLBB)

2/22/84 AMERICAN CONTINENTAL CORPORATION (ACC) buys
LINCOLN SAVINGS AND LOAN ASSOCIATION
(LINCOLN) for \$51,000,000

6/6/84 KEATING, [REDACTED] meet with
[REDACTED] in Los Angeles

6/7/84 KEATING meets with DE CONCINI

7/11/84 Date of ALAN CRANSTON's letter to [REDACTED] in
which he requests that [REDACTED] defer issuance of
direct investment limitation.

7/16-19/84 [REDACTED] approaches CRANSTON at Democratic
Party convention in San Francisco and says
LINCOLN wishes to "establish a contact" with
CRANSTON and offers to "help" with campaign
contributions.

8/26-31/84 JOHN MC CAIN [REDACTED]
[REDACTED] vacation at KEATING's place at Cat
Cay, Bahamas

9/12/84 [REDACTED] meets with DE CONCINI

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Late 1984

LINCOLN Attorney/lobbyist [redacted] asks
CRANSTON banking aide [redacted] to
oppose direct investment limitations; [redacted]
declines to do so.

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9/22/84

KEATING dines with JOHN MC CAIN and [redacted]
in Phoenix

9/26/84

KEATING dines with MC CAIN in Washington

10/15/84

DE CONCINI dines with KEATING in Phoenix

12/7/84

CALIFORNIA DEPARTMENT OF SAVINGS AND LOAN
(LARRY TAGGART, Commissioner), approves
\$349,000,000 of direct investments by LINCOLN
immediately before the 12/10/84 deadline for
the investments to qualify as grandfathered
investments under new FHLBB regulation

12/10/84

FHLBB re-proposes direct investment
regulation (12CFR563.9-8) - would generally
limit direct investments to ten percent of
assets - contains grandfather clause

12/17/84

KEATING meets separately in Washington with
[redacted] and Senators ALAN
CRANSTON, JOHN GLENN, MACK MATTINGLY, PAUL
LAXALT, and DENNIS DE CONCINI

12/84-1/85

Congressman CHARLES "CHIP" PASHAYAN lobbies
[redacted] to not adopt direct investment
regulation

1/1/85

[redacted]

1/4/85

[redacted] of TCS visit KEATING
in Phoenix; KEATING offers to buy 20 percent
of TCS FINANCIAL; KEATING and [redacted]
solidify \$200,000 consulting contract

1/18/85

LINCOLN invests \$2,900,000 in TCS FINANCIAL
for a 22 percent stake sold in private
offering - 578,000 shares at \$5.00 per share

1/29/85

KEATING meets separately with Congressman MC
CAIN and JACK KEMP, and Senator DE CONCINI

1/31/85

FHLBB adopts the ten percent direct
investment rule, which is implemented
3/18/85.

2/1/85 LINCOLN applies to FHLBB for approval to exceed the impending 10 percent limit on direct investments. The application is denied on 5/17/85.

2/13/85 [] writes the FHLBB of San Francisco on behalf of LINCOLN requesting that LINCOLN be exempted from the ten percent direct investment rule

2/27/85 []

2/28/85 KEATING testifies before House Subcommittee

4/2/85 KEATING has dinner with Senator DE CONCINI in Washington. Meets with MC CAIN on next day.

4/8/85 KEATING and associates contribute \$15,000 to Senator PETE WILSON

4/9/85 KEATING and associates contribute \$15,000 to Senator ALAN CRANSTON in connection with LINCOLN fundraiser held in Orange County

4/16/85 CRANSTON meets with []

5/27/85 [] and UNIVERSITY OF ROCHESTER Professor [] testify, on behalf of LINCOLN, before Government Operations Oversight Subcommittee in opposition to FHLBB's direct investment position.

7/10/85 KEATING, [] meet separately in Washington with Congressman JOHN MC CAIN, Congressman JIM KOLBE, Senator CRANSTON, and Senator DE CONCINI

7/20/85 White House staffer [] that White House Chief of Staff DON REGAN said in June personnel meeting that he wanted [] out soon

7/31-8/15/85 KEATING and associates contribute \$22,000 to Senator GLENN

7/31-8/15/85 KEATING and associates contribute \$16,000 to Senator DENNIS DE CONCINI

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8/28/85 ACC contributes \$100,000 to the non-federal account of National Council on Public Policy, a PAC affiliated with Senator JOHN GLENN

8/22-29/85 JOHN MC CAIN and family are guests of KEATING's in Cat Cay, Bahamas

9/15/85 MC CAINS have dinner at KEATING's house in Phoenix

9/30/85 White House staffer [redacted] relays REGAN's request to [redacted] resign

10/1/85 [redacted] told by Washington Attorney [redacted] that he had a job offer for [redacted] had previously been so advised by FHLBB member [redacted]

10/27/85 KEATING and associates contribute \$8,000 to Senator CRANSTON at fundraiser in Phoenix

11/13/85 KEATING and associates contribute \$8,000 to Congressman JACK KEMP

11/20/85 KEATING, [redacted] meet separately with [redacted] of FHLBB in Washington

11/21/85 KEATING meets separately with Congressman DOUG BARNARD, Senator CRANSTON, Congressman MC CAIN, Congressman PASHAYAN, Senator MATTINGLY, Senator PETE WILSON, Congressman CARROLL HUBBARD, Congressman CHALMERS WYLIE, Senator WILLIAM ARMSTRONG. Has dinner with Senators DE CONCINI and GLENN.

11/22/85 [redacted] meets with KEATING and [redacted] in Washington regarding job offer for [redacted]

11/ /85 TAGGART, [redacted] California Assemblyman PAT NOLAN successfully lobby CALIFORNIA SAVINGS AND LOAN Commissioner WILLIAM CRAWFORD to drop proposed rule that would have limited LINCOLN's investments by requiring 80 percent be mortgage loans

11/26/85 KEATING and [redacted] contribute \$4,000 to DEMOCRATIC CONGRESSIONAL CAMPAIGN COMMITTEE

11/27/85 NOLAN, TAGGART, [redacted] lobby CALIFORNIA LEAGUE OF SAVINGS INSTITUTIONS (Chairman-GERALD BARRONE; Director-DEAN

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CANNON), to drop support of CRAWFORD's proposal

12/13/85 KEATING meets with Vice President GEORGE BUSH in Washington

12/ /85 NOLAN reportedly receives \$9,000 campaign contribution from KEATING

12/ /85 At CRANSTON's request, [] begins to organize America Votes and the fundraising program for nonpartisan voter registration

1/23/86 KEATING attends Governor DEUKMEJIAN campaign luncheon in Los Angeles

2/6/86 KEATING has telephone conference with []
[]

2/28/86 ACC contributes an additional \$100,000 to NATIONAL COUNCIL ON PUBLIC POLICY - affiliated with Senator JOHN GLENN - non-federal fund

3/1/86 KEATING and Senator DON RIEGLE meet in Detroit at opening of HOTEL PONTCHARTRAIN. ACC pays travel expenses for RIEGLE and his wife round trip from Washington to Detroit.

3/3/86 KEATING and associates contribute \$12,000 to KOLBE

3/6/86 Eleven ACC officers attend DEUKMEJIAN campaign dinner in Los Angeles

3/12/86 Regularly scheduled FHLBB examination of LINCOLN begins

3/26/86 KEATING, [] meet separately with Treasury Undersecretary GEORGE GOULD, Congressman JOHN DINGELL, Senator GLENN, Congressman JACK KEMP, Senator DE CONCINI, [] in Washington

3/17-31/86 KEATING and associates contribute \$54,000 to Senator JOHN MC CAIN

3/31/86 []
invest \$359,100 in a Phoenix shopping center project developed and managed by ACC.

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4/4/86 KEATING and associates contribute \$10,000 to Senator MACK MATTINGLY (Georgia)

4/9/86 KEATING and associates contribute \$5,000 to NATIONAL ACTION COMMITTEE, former Congressman DAVE EVANS' political action committee (PAC)

6/2/86 KEATING and associates contribute \$11,000 to Congressman CHARLES PASHAYAN

6/4/86 [] announces he will resign from FHLBB

6/6/86 DE CONCINI writes White House Chief of Staff REGAN and recommends [] for the FHLBB post vacated by []

6/24/86 REGAN interviews [] re FHLBB position [] travel expenses billed to ACC)

7/2/86 [] is nominated by the President to the FHLBB. The nomination is later withdrawn.

7/3/86 KEATING meets with San Francisco examiners and reportedly threatens to sue members of FHLBB.

7/7/86 KEATING and [] meet with Senator PAULA HAWKINS in Phoenix. Senator DE CONCINI has lunch with KEATING at ACC, Phoenix.

7/9/86 KEATING and [] meet separately in Washington with Treasury Undersecretary GEORGE GOULD and Senator GLENN. Have dinner with [] to discuss status of FHLBB nominations.

7/15/86 KEATING and [] meet separately with [] Congressman JOHN DINGELL, []

7/16/86 KEATING and [] in Washington separately meet Senators HAWKINS, RIEGLE and CRANSTON (with [] regarding FHLBB regulations and [] nomination to FHLBB, and with []

7/17/86 [] telephones KEATING in Miami

7/20/86 Congressman DOUG BARNARD has dinner with KEATING, [] at KEATING's home in Phoenix. [] receives

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\$19,000 in campaign contributions and ACC pays his travel expenses.

7/23/86

Reconsideration of Judge DANIEL MANION confirmation defeated in Senate on a tie vote. DE CONCINI does not vote (pairs with GOLDWATER), after KEATING lobbies him to support [] so the White House will support []

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7/23/86

In memo to KEATING, [] values [] interest in CSI at \$1,394,000.

7/25/86

KEATING and associates contribute \$20,000 to Senator PAULA HAWKINS

7/25/86

[] spends day at ACC in Phoenix - discuss Atlanta properties and [] possible appointment at FHLBB

7/28/86

KEATING meets with []

7/29/86

KEATING meets with Senator HAWKINS in Washington and [] in Atlanta

7/29/86

CHARLES H. KEATING, et al, meets [] in D.C.

8/4/86

TAGGART writes White House Chief of Staff DONALD REGAN complaining about [] and mentioning his adverse effect on Republican fundraising.

8/4-6/86

KEATING and associates contribute \$11,000 to Senator CRANSTON

8/7/86

[] writes memo valuing his interest in CSI at \$3.3 - \$3.4 million.

8/11/86

KEATING and [] meet separately with [] and Congressman BARNARD re [] nominations, and with []

8/12/86

KEATING and [] meet separately with FHLBB member [] MC CAIN, PASHAYAN, []

8/14/86

PASHAYAN writes [] requesting information on institutions requesting waiver of 10 percent direct investment limitation. The

letter was signed by 15 other House
Republicans.

8/15/86 [redacted] meet in
Phoenix re Continental Southern conflict
problem for [redacted]

8/16/86 FHLBB member [redacted] leaves the Board

8/14-17/86 KEATING and associates contribute an
additional \$13,000 to Congressman PASHAYAN
for a total of \$24,000

8/19/86 KEATING meets with [redacted] in
Atlanta

8/20/86 KEATING and associates contribute \$10,000 to
Senator DE CONCINI.

8/22/86 KEATING and associates contribute \$4,000 to
HARRY REID

8/23-29/86 MC CAIN family travels from Phoenix to Miami
on ACC airplane to spend week in Cat Cay

8/22-9/4/86 KEATING and associates contribute \$21,150 to
Congressman RHODES

9/10/86 KEATING, [redacted] meet separately
with [redacted] CRANSTON, MC CAIN, and
RIEGLE regarding FHLBB matters and
[redacted] nominations. KEATING and
Senator HAWKINS meet with DON REGAN at White
House regarding same.

9/ /86 FHLBB member [redacted] quits Board effective
10/17/86

9/16/86 [redacted] meets with DE CONCINI

9/20/86 "Washington Post" writes that LINCOLN
officials claim FHLBB harassment. [redacted] asks
FHLBB of San Francisco to explain - San
Francisco blames LINCOLN for delays in
examination

Fall 1986 ACC contributes \$100,000 to the Florida
Republican Party for the benefit of [redacted]

10/7/86 [redacted] is nominated to the FHLBB by the
President. Senate adjourns 10/18 without
considering [redacted] nomination.

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10/8/86 ACC contributes \$35,000 to the California Democratic Party, primarily for CRANSTON's benefit

10/13/86 KEATING and [] have telephone conversation

10/14/86 ACC contributes an additional \$50,000 to the California Democratic Party, primarily for CRANSTON's benefit

10/17/86 KEATING and [] have telephone conversation

10/18/86 On last day of the Senate's 1986 session, Senator PROXMIRE introduces a FSLIC recapitalization bill with no direct investment limitation. CRANSTON and GLENN had interceded with PROXMIRE on behalf of LINCOLN to delete the direct investment limitation.

10/21/86 CRANSTON's Senate campaign borrows \$350,000 from Deauville Savings and Loan, [] on line of credit arranged on 10/6/86

10/23/86 CRANSTON's Los Altos commercial property is appraised at the request of LINCOLN in connection with loan application of CRANSTON's campaign to LINCOLN. A \$300,000 unsecured line of credit was extended by LINCOLN to CRANSTON, but the line of credit was never drawn on, because it was not needed.

10/31/86 FHLBB exam of LINCOLN that began 3/12/86 is completed. Closing meeting with LINCOLN official held on 11/7/86

11/4/86 KEATING and [] attend DEUKMEJIAN and CRANSTON victory celebrations in Los Angeles

11/7/86 HENKEL receives recess appointment to FHLBB.

11/11/86 Atlanta attorney [] a friend of KEATING and borrower from and attorney for LINCOLN, is sworn in as a member of the FHLBB

11/25/86 [] interest in CONTINENTAL SOUTHERN is purchased by an ACC subsidiary for \$3,700,000, following meeting of KEATING,

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12/5/86 and
12/16/86

[redacted]
at Indian Creek

KEATING meets in San Francisco with FHLBB-SF regulator [redacted] regarding LINCOLN exam

12/13/86

LINCOLN attorney/lobbyist [redacted] meets [redacted] at River Inn in Washington and lobbies [redacted] re direct investment rule and grandfathering

12/18/86

[redacted] proposes at FHLBB meeting a rule change that would protect LINCOLN from enforcement of the direct investment rule. [redacted] proposal died for lack of a second. Before the meeting, [redacted] asks [redacted] for to review and type the proposal. [redacted] gets suggested changes from [redacted] and [redacted]

12/19/86

FHLBB authorizes 407(m) fraud investigation of LINCOLN regarding file-stuffing and back-dating

1/2/87

[redacted] sends CRANSTON a short list of individuals (including KEATING) who have been "very helpful" to CRANSTON and who "rightly expect" a resolution of their pending cases or legislative matters.

1/8/87

[redacted] meets with DE CONCINI, (may have canceled)

1/9/87

[redacted] meet with CRANSTON

1/16/87

[redacted] meets with KEATING, [redacted] in Phoenix

1/26/87

KEATING and [redacted] meet with Congressman BARNARD in Washington

1/27/87

A second closing meeting is held, at KEATING's request, between LINCOLN and FHLBB officials. KEATING and [redacted] meet [redacted] in Congressman CARROLL HUBBARD's office, and separately meet with Senators DE CONCINI and PHIL GRAMM in Washington

1/28/87

KEATING and [redacted] have separate meetings with MC CAIN, CRANSTON (with [redacted]) GLENN, PASHAYAN, DE CONCINI, and RIEGLE in

Washington, at meeting with RIEGLE, KEATING offers to organize a fundraising event for RIEGLE.

1/29/87 KEATING meets with Senator HAWKINS at her home in Orlando regarding [] replacement

2/5/87 MC CAIN meets with RIEGLE

2/13/87 Recess appointee []
[] are renominated by White House

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2/13-3/18/87 KEATING and associates contribute \$11,000 to Senator TIM WIRTH

2/18/87 KEATING meets with [] at FHLBB in Washington. KEATING and [] meet separately with Senators ARMSTRONG, MC CAIN, and TERRY SANFORD and Representative JIM WRIGHT

12/19/87 ACC wires \$3.7 million to [] blind trust via Troutman, Sanders. [] requests \$250,000 distribution from trust.

2/26/87 Senator RIEGLE meets with [] and []
[] to discuss LINCOLN's dispute with regulators

2/27/87 CRANSTON meets with []
possibly []

2/27/87 FHLBB [] (abstaining) adopts "equity risk investment rule" to be effective 4/15/87; shortly thereafter, LINCOLN sues to block the rule as unconstitutional

3/3/87 DE CONCINI has lunch with []

3/3/87 KEATING and [] contribute \$4,000 to []
[] PAC

3/3/87 LINCOLN contributes \$100,000 to AMERICA VOTES, later known as USA VOTES. Contribution was solicited by CRANSTON

3/6/87 Senator RIEGLE meets with [] - says Arizona senators are quite concerned with FHLBB regulation of LINCOLN and suggests that [] meet with them

3/8/87 RIEGLE and top aide [] visit KEATING in Phoenix and after a helicopter tour, RIEGLE reportedly states, "I like what I see here. I can reason with []"

3/9/87 RIEGLE, [] fly commercial airlines together to Washington

3/13/87 [] (later of ACC) writes letter to senators critical of regulators

3/16/87 RIEGLE meets with CRANSTON, [] and later with []

3/17/87 RIEGLE meets with []

3/18/87 LINCOLN sues FHLBB, challenging the direct investment limitations. DE CONCINI meets with RIEGLE re ACC, RIEGLE suggests having a meeting with []

3/19/87 Senators DE CONCINI's staffer, [] writes confidential memo to DE CONCINI summarizing what ACC "wants from [] and what ACC is "willing to do". DE CONCINI meets with MC CAIN and proposes that they meet with [] regarding LSL

3/20/87 LINCOLN files a petition to recuse [] from decisions regarding LINCOLN

3/23/87 KEATING raises \$95,150 for [] at luncheon fundraiser held at the Hotel Ponchartrain. Of the \$95,150, \$78,250 was given by persons connected to ACC.

3/24/87 Senator JOHN MC CAIN meets with KEATING and KEATING asks for MC CAIN's negotiating assistance. MC CAIN declines and six-year friendship ends. KEATING and [] meet separately with Senators DE CONCINI, CRANSTON (with [], and ROBERT DOLE

3/25/87 Senator PROXMIRE offers amendment to FSLIC recap bill (SB790) that would authorize FSLIC to define unsafe and unsound practices, which would moot LINCOLN's lawsuit against FHLBB.

3/26/87 CRANSTON convinces PROXMIRE to withdraw his amendment - at request of LSL. [] meets with CRANSTON.

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3/27/87 CRANSTON's aide [] submits to Congressional Record language written by ACC's attorney [] that would assist LSL in litigation against FHLBB

4/1/87 [] resigns from FHLBB

4/2/87 [] meets with Senators DE CONCINI, MC CAIN, CRANSTON and GLENN in DE CONCINI's office regarding LINCOLN

4/9/87 [] and three other FHLBB regulators meet in DE CONCINI's office with DE CONCINI, MC CAIN, CRANSTON, GLENN and RIEGLE - DE CONCINI tries to make deal for LINCOLN - offers that LINCOLN will invest 55 percent of assets in home mortgage if FHLBB yields on direct investment rule and property appraisals. Before this meeting, [] meets with DE CONCINI

4/13/87 CRANSTON's aide, [] visits ACC in Phoenix at ACC's expense

4/19/87 RIEGLE supports [] to be [] at request of ATHC.

4/20/87 FHLBB Report of Examination sent to LINCOLN

4/21/87 RIEGLE meets with []

5/1/87 FHLBB of SAN FRANCISCO recommends to FHLBB that LINCOLN be seized. This recommendation is the conclusion of a 285-page Recommendation and Statement of Supervisory Concerns

6/2/87 Date of CRANSTON's letter to KEATING thanking him for 1986 contribution to California Democratic Party's GOTV

6/24/87 [] requests CRANSTON's help at the conference committee for the Competitive Equity Banking Act (CEBA)

6/30/87 [] leaves FHLBB post; replaced by []

7/10/87 CENTER FOR PARTICIPATION IN DEMOCRACY and THE ORGANIZING INSTITUTE (originally known as MONTEREY LEADERSHIP TRAINING INSTITUTE) are

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incorporated [redacted]
[redacted]

7/10/87 [redacted] asks Senator PROXMIRE's aide
[redacted] for his files on KEATING [redacted]

7/17/87 LINCOLN sues FHLBB over leaks of information
regarding LINCOLN examination; lawsuit is
dropped on 7/29/87, after assurance received
from [redacted]

7/23/87 [redacted] of FHLBB's Office of
Regulatory Policy, Oversight and Supervision
(ORPOS) recommends LINCOLN be placed in
receivership and that FHLBB be briefed on all
supervisory options

7/23/87 [redacted] meets with FHLBB's [redacted] and
[redacted] to resolve LINCOLN's lawsuit
alleging leaks

8/4/87 On behalf of LINCOLN, [redacted] provides
CRANSTON/PROXMIRE colloquy for
Congressional Record re Competitive Equity
Banking Act.

8/7/87 [redacted] joins the FHLBB

8/21/87 LINCOLN contributes \$10,000 to the GARN
INSTITUTE

8/28/87 LINCOLN informed of proposed field visit by
FHLBB OF SAN FRANCISCO examiners in
connection with re-examination based on
LINCOLN's claim of new facts. LINCOLN
responds that no further information would be
given without a court order

9/2/87 CPD obtains 501 (c)(3) status from IRS

9/2/87 Following a meeting of [redacted] and FHLBB
General Counsel [redacted]
[redacted] the FHLB OF SAN
FRANCISCO was ordered not to conduct further
examinations of LINCOLN - and LINCOLN was
then free of supervision until mid July 1988

9/17/87 [redacted] meet with [redacted]
[redacted] re exam
visits

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9/24/87

KEATING, [] meet with [] regarding 1986 FHLB OF SAN FRANCISCO examination and it is decided FHLBB will take an independent review of San Francisco findings. KEATING, [] meet separately with Senators DE CONCINI and RIEGLE, Congressman RHODES and [] KEATING meets with CRANSTON and [] in Washington; KEATING agrees to contribute \$250,000 to USA VOTES and FORUM INSTITUTE after CRANSTON asks for it

10/16/87

FHLBB's [] completes review of San Francisco exam of LINCOLN, concludes that LINCOLN is being operated in an "unsafe and unsound manner", and recommends FHLBB proceed with a cease and desist order

10/21/87

[] meets with [] - suggests transfer out of SF District

10/29/87

KEATING and associates contribute \$5,500 to DE CONCINI - brings total contribution to \$39,000

11/5/87

LINCOLN sends FHLBB a proposed memo of understanding to resolve issues of exam - includes transfer out of San Francisco district

11/6/87

[] delivers to CRANSTON ACC checks dated 11/5/87 for \$225,000 to the FORUM INSTITUTE, and \$25,000 to USA VOTES, an association chaired by CRANSTON and managed by NEW DIMENSION RESOURCES

11/12/87

CRANSTON calls [] to urge quick resolution of LINCOLN exam

11/13/87

Internal

At [] request, CRANSTON writes Senator BENSTON proposing an amendment of the Revenue Code's qualified thrift lender test, RIEGLE also assists LINCOLN in this matter.

11/18/87

RIEGLE meets with []

11/23/87

[] receive helicopter tour of ACC's Phoenix developments

1/4/88 [] submits proposed MOU to FHLB-SF;
rejected by []

1/7/88 KEATING and [] dine with [] and
[] aide to Senator JOHN
HEINZ, in Phoenix

1/8/88 ALAN [] CRANSTON have dinner with
KEATING and [] in Beverly Hills

1/18/88 ACC contributes \$6,000 to California
Assemblyman TOM BANE

1/18/88 In a memo to CRANSTON, USA VOTES fundraiser
[] reports that KEATING has asked
CRANSTON to arrange a meeting with [] so
KEATING can hear from [] why the LINCOLN
SAVINGS exam is continuing four months after
[] told him it would end in two weeks

1/20/88 CRANSTON calls [] - tells [] of []
allegation re examiner tasked to find
something on LINCOLN. Also tells []
KEATING will be in town on 1/28.

1/27/88 KEATING and [] meet separately with
Congressman BARNARD and Senator METZENBAUM

1/28/88 [] meets with KEATING regarding KEATING's
complaints of news leaks and length of exam.
This meeting may have been arranged by
CRANSTON. On the same day, KEATING and
[] meet separately with []
RIEGLE, DE CONCINI, GLENN and CRANSTON (with
[]

2/2/88 KEATING and associates contribute \$4,000 to
[]

2/4/88 At [] request, FHLBB []
[] meets with KEATING for four hours,
after [] told [] to try to achieve a
"peaceful resolution". Separately, KEATING
and [] meet with RIEGLE.

2/5/88 KEATING and [] negotiate a proposed memo
of understanding with []

2/9/88 KEATING meets in Sacramento with JOHN
GEOGHEGAN, California Secretary of Business,
Transportation and Housing

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2/10/88 ALAN [] CRANSTON visit KEATING in Phoenix at expense of NEW DIMENSION RESOURCES, and pick up \$400,000 ACC contribution to the CENTER FOR PARTICIPATION IN DEMOCRACY and an additional \$100,000 ACC contribution to the FORUM INSTITUTE

2/12/88 KEATING writes [] that he is in "full agreement" with a proposed Memorandum of Understanding that would transfer supervision of LINCOLN to FHLB-Seattle

2/16/88 CRANSTON has conversation with []

2/19/88 KEATING, []
[] meet with regulators from FHLBB of Seattle regarding potential acquisition by LINCOLN of savings and loan in 12th district

2/22/88 FHLB-SF again recommends conservatorship for LINCOLN to FHLB's Enforcement Review Committee; condemns ORPOS' proposed Memorandum of Understanding

2/23/88 CRANSTON provides KEATING with a letter of introduction to the American Ambassador to Yugoslavia

3/4/88 CPD receives determination from IRS that foundations may contribute without adverse tax consequences

3/11/88 Senator RIEGLE returns contributions made by KEATING and associates totalling \$76,100

3/11/88 KEATING contributes \$10,000 to former Congressman DAVE EVANS' PAC (NATIONAL ACTION COMMITTEE)

3/25/88 KEATING, [] appear before FHLBB's ERC

4/6/88 KEATING and associates contribute \$11,500 to Senator ORRIN HATCH at Crescent Hotel fundraiser/reception

4/18/88 CRANSTON talks with [] re ERC hearing

4/20/88 RIEGLE meets with []

4/21/88 CRANSTON talks with [] re ERC status

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SAT 4/30/88

FHLBB's Enforcement Review Committee recommends to FHLBB that a new exam of LINCOLN be conducted

5/3/88

KEATING meets with [] in Sacramento

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TH 5/5/88

[] vote to transfer regulation of LINCOLN from San Francisco to Washington and to negotiate a settlement with LINCOLN; [] dissents

5/5/88

[] informs KEATING that Board voted to have supervisory agreement and to put monitor in LINCOLN. KEATING says this was totally unacceptable, and calls CRANSTON and DE CONCINI, asking them to call []

5/6/88

CRANSTON's aide [] calls WALL's aides [] - tells them that CRANSTON is "very concerned" about "supervisory approach" towards LINCOLN

5/9/88

ACC contributes \$10,000 to California Legislator PAT NOLAN in connection with SAMUELIAN fundraiser

TU 5/10/88

[] telephones KEATING to tell him to take or leave FHLBB's proposed agreement. KEATING attorney [] writes KEATING "you have the board right where you want them".

5/16/88

[] meets with CRANSTON

5/18/88

[] meets with RIEGLE

5/19/88

CRANSTON and [] meet with []

5/20/88

FHLBB and LINCOLN sign memo of understanding, providing for a new examination to be conducted by ORPOS in Washington

6/5/88

KEATING and associates contribute \$100,000 to REPUBLICAN NATIONAL COMMITTEE and attend dinner with Vice President GEORGE BUSH in Los Angeles

6/8/88

[]

7/11/88

ORA (formerly ORPOS) begins exam of LINCOLN

8/1/88 RIEGLE meets with [redacted]

10/7/88 [redacted] visits [redacted]

10/18-24/88 KEATING and associates contribute \$41,000 to Senator CHIC HECHT

10/24/88 ACC contributes \$5,000 to California Republican Party in connection with a Bob Hope Reception held on 10/27/88

10/31/88 ACC contributes \$75,000 to California Republican Party's victor '88 fund - raised by SAMUELIAN

11/10/88 [redacted] meets with [redacted]

11/17/88 KEATING and [redacted] meet with Senator RIEGLE in Washington

12/2/88 KEATING tells ORA examiner [redacted] that four entities are interested in acquiring LINCOLN

12/7/88 CRANSTON and [redacted] meet with [redacted]

12/8/88 RIEGLE and [redacted] meet with [redacted] and [redacted]
[redacted]

12/14/88 KEATING, [redacted] meet with Congressman JON KYL in Phoenix. Later, KEATING and [redacted] fly to Los Angeles for dinner meeting with Senator CRANSTON and his aide, [redacted] - CRANSTON greets KEATING by saying this is a meeting of the mutual aid society.

12/20/88 ACC agrees to sell LINCOLN to LINCOLN ACQUISITION CORPORATION, represented by lobbyist and former FHLBB member [redacted]

1/10/89 ACC contributes \$10,000 to CRANSTON's PAC, Committee for Democratic Consensus, in connection with Super Bowl party

1/17/89 KEATING and [redacted] visit [redacted] to deliver response to exam report. Later, KEATING and [redacted] meet with CRANSTON, [redacted] meets with RIEGLE

2/7/89 CRANSTON meets with KEATING in [redacted] office. Later KEATING, [redacted]

CRANSTON, [] meet in
DE CONCINI's office.

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2/8/89 CRANSTON's aide, [] telephones
[] demanding to know why LINCOLN sale
had not yet been approved. CRANSTON calls
[] re pending sale

2/14/89 FHLBB begins third examination of LINCOLN

2/23/89 RIEGLE and [] meet with []

3/27/89 CRANSTON meets with []

4/7/89 At the end of the meeting with [] on
another matter, DE CONCINI raises issue of
pending offer to sell LINCOLN. [] meets
with CRANSTON and []

4/11/89 At KEATING's request, DE CONCINI telephones
[] asks him to support the sale of LINCOLN
to ROUSSELOT. CRANSTON's staffer, []
[] reportedly calls California officials
in support of the sale

4/12/89 CRANSTON urges [] and FHLBB member []
[] to reconsider sale of LINCOLN to
ROUSSELOT

4/13/89 CRANSTON urges FHLBB member [] to
hear ROUSSELOT's offer and consider the
effect of bankruptcy on California, Arizona,
and the FSLIC.

4/14/89 FHLBB seizes LINCOLN - placed in
conservatorship. CRANSTON telephones [] -
says Board made a serious mistake.
Congressman HUBBARD and KEVIN GOTTLIEB also
call [] re LINCOLN.

6/22/89 [] meets with []

7/13/89 [] meets with []

8/3/89 LINCOLN put in receivership

9/18/89 Senator DE CONCINI says he will return
\$48,000 in campaign contributions made by
KEATING and associates

11/8/89

Congressman PASHAYAN says he will return \$26,000 in campaign contributions made by KEATING and associates

12/4/89

☐ announces his resignation

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12/21/89

Senator WILSON announces he has returned \$17,500 in campaign contributions received from KEATING and his associates in one package on 4/8/85

Memorandum



To : SAC PHOENIX (58C-PX-41605) (P)

Date 1/22/92

From : TIS [REDACTED]

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Subject: ALLEGATIONS CONCERNING
UNITED STATES SENATORS; ETAL
CHARLES H. KEATING;
CORRUPT PUBLIC OFFICIAL; OO:PX

Today, while checking Closed Files for Sub A of 58C-PX-41605, I found two wallet type envelopes for this file marked 1B(6) and 1B(9). I called ECT [REDACTED] who took custody of these envelopes.

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b7C

1-PX 58C-PX-41605
JMS/jms

58C-PX-41605-103

SEARCHED	INDEXED
SERIALIZED <i>SK</i>	FILED <i>SK</i>
JAN 22 1992	
FBI — PHOENIX	

[Signature]

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 1/21/92

TO SAC, PHOENIX

FROM SAC, LOS ANGELES (58C-PX-41605) (SARA) (P)

SUBJECT : ALLEGATIONS CONCERNING U.S. SENATORS,
 ALAN CRANSTON, ET AL;
 CHARLES H. KEATING, JR., dba
 LINCOLN SAVINGS AND LOAN ASSOCIATION,
 AMERICAN CONTINENTAL CORPORATION;
 CORRUPT PUBLIC OFFICIALS - LEGISLATIVE;
 OO: Phoenix

Enclosed under separate cover to Phoenix Division
 is evidence that had previously been sent to Santa Ana on
 5/7/91.

Items of evidence are marked as follows:

1b (25), (27), (34), (44), (45), (46), (47), (50),
 (51), (59), item R-1, R-2, R-4,

1b (62) item 1, 3, 4,

1b (65) item 6, 9, 14.

(3) - Phoenix
 (1 - packaged copy)
 (1 - ATTN: Evidence Control Technician)
 2 - Los Angeles
 GKM/klz
 (5)

1*

Approved: _____ Transmitted _____
 (Number) (Time)

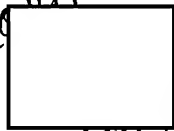
58C-PX-41605-104

SEARCHED	INDEXED
SERIALIZED	FILED
JAN 21 1992	
FBI - PHOENIX	
Per <i>[Signature]</i>	

b6
 b7C

2/10

101



Identified
to AUSA
re pros. op.
but will not
it in view of this
Tel.
RER

58C-PX-41605-105

b6
b7C

SEARCHED	INDEXED
SERIALIZED	FILED
54-105-105	
FEB 10 1964	
FBI - NEW YORK	

[Signature]



**COVERSHEET
FBI FACSIMILE
LOS ANGELES DIVISION
SANTA ANA RA**

PRECEDENCE☐ IMMEDIATE☐ PRIORITY☒ ROUTINECLASSIFICATION☐ TOP SECRET☐ SECRET☐ CONFIDENTIAL☐ SENSITIVE☒ UNCLASSIFIED

TIME TRANSMITTED _____

SENDER'S INITIALS _____

NUMBER OF PAGES 4
(including cover)TO: PHOENIX DATE: 2/7/92

FACSIMILE NUMBER: _____

ATTN: _____

FROM: LOS ANGELESSUBJECT: 58C-PX-41605SPECIAL HANDLING INSTRUCTIONS: PLEASE HAND CARRY TO

ORIGINATOR'S NAME: _____

ORIGINATOR'S FACIMILE NUMBER: (714) 542-8000APPROVED: [Signature]

FD-36 (Rev. 8-29-85)

FBI

TRANSMIT VIA:

☒ Teletype
☐ Facsimile
☐ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☒ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☒ UNCLAS

Date 2/7/92

FM FBI LOS ANGELES (58C-PX-41605)

TO DIRECTOR FBI/ROUTINE/

FBI PHOENIX/ROUTINE/

BT

UNCLAS

CITE: //3410:0670//

PASS: PUBLIC CORRUPTION UNIT, SSA b6
b7c

SUBJECT: ALLEGATIONS CONCERNING US SENATORS ALAN CRANSTON,
DENNIS DEACONCINI, JOHN GLENN, JOHN MCCAIN, DONALD RIEGLE;
CHARLES H KEATING, JR, DBA LINCOLN SAVINGS AND LOAN
ASSOCIATION, IRVINE, CALIFORNIA; AMERICAN CONTINENTAL
CORPORATION, PHOENIX, ARIZONA; CORRUPTION OF FEDERAL PUBLIC
OFFICIALS - LEGISLATIVE; OO: PHOENIX/LOS ANGELES.

FOR INFORMATION OF THE BUREAU INVESTIGATION OF THIS
MATTER HAS BASICALLY CONCLUDED BY THE LOS ANGELES DIVISION AND
THE PHOENIX DIVISION. RESULTS OF THE INVESTIGATION FOR THE

GKM/KLZ

Approved: *[Signature]*Original filename: KLZ002W.038

Time Received: _____

Telprep filename: _____

MRI/JULIAN DATE: _____

ISN: _____

FOX DATE & TIME OF ACCEPTANCE: _____

^PAGE 2 58C-PX-41605/UNCLAS/

PAST TWO YEARS HAS CONSISTENTLY BEEN SHARED WITH ASSISTANT UNITED STATES ATTORNEY [REDACTED] FROM THE LOS ANGELES UNITED STATES ATTORNEY'S OFFICE AND [REDACTED] ATTORNEY WITH THE PUBLIC INTEGRITY SECTION, DEPARTMENT OF JUSTICE, WASHINGTON D.C.

b6
b7c

FOR THE PAST SIX TO EIGHT MONTHS THE INVESTIGATION HAS FOCUSED PRIMARILY ON THE ACTIVITIES OF UNITED STATES SENATOR ALAN CRANSTON (D) (CALIFORNIA) AND HIS RELATIONSHIP WITH CHARLES KEATING AND HIS ASSOCIATES.

THE RESULTS OBTAINED FROM THE FBI INVESTIGATION WERE VERY SIMILAR, IF NOT IDENTICAL, TO THE RESULTS OF THE UNITED STATES SENATE ETHICS COMMITTEE INVESTIGATION CONCERNING THE FIVE SENATORS.

THE FBI INVESTIGATION SHOWED SENATOR ALAN CRANSTON RECEIVED APPROXIMATELY \$800,000.00 EITHER DIRECTLY, AS CAMPAIGN CONTRIBUTIONS, OR INDIRECTLY TO CRANSTON SPONSORED PROJECTS. IN ADDITION IT APPEARS HE MAY HAVE PERFORMED UP TO 15 DIFFERENT ACTIVITIES WHICH WERE CONSIDERED OFFICIAL ACTS. TO DATE NO AGREED UPON QUID PRO QUO HAS BEEN ESTABLISHED.

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ON 2/3/82, ASSISTANT UNITED STATES ATTORNEY [REDACTED]

b6
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[REDACTED] ADVISED HE WOULD DECLINE PROSECUTION IN THIS MATTER
DUE TO THE FACT INSUFFICIENT EVIDENCE EXISTS TO SHOW AN AGREED
UPON QUID PRO QUO WHICH IS REQUIRED FOR A HOBBS ACT VIOLATION.
LOS ANGELES DIVISION WILL IN THE NEAR FUTURE SUBMIT AND FD-761
AND ENCLOSED LETTERHEAD MEMORANDUM SETTING OUT A MORE DETAILED
SUMMARY OF THE INVESTIGATION AND RESULTS.

BT